

Commonwealth of Massachusetts

# **THE GOVERNOR'S BUDGET RECOMMENDATION**

Deval L. Patrick, Governor  
Timothy P. Murray, Lt. Governor



[www.mass.gov/budget/governor](http://www.mass.gov/budget/governor)

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Spending Plan and Budget Proposal Development .....	1-20
Spending Plan and Budget Proposal Development.....	1-20
FY 2014 Budget Development .....	1-20
Specific and General Financial Policies .....	1-22
Overview of State Finance .....	1-22
Budget Administration.....	1-22
General Fiscal Policies of the Commonwealth .....	1-22
Strategic Fiscal and Budgetary Policies .....	1-25
Performance Management, Accountability and Transparency .....	1-26
Overview of Budget Funds.....	1-26
Long-Term Budget Forecast.....	1-30
Long-Term Forecasting.....	1-30
Measuring Structural Balance .....	1-30
Long-Term Revenue Forecast Methodology .....	1-31
FY 2013 Update .....	1-34
FY 2013 Original One-Time Resources .....	1-34
FY 2013 December Revenue Revision .....	1-34
FY 2013 Fiscal Action Plan.....	1-35
Revised FY 2013 Estimated Spending.....	1-36
Fiscal Year 2014 Budget Development.....	1-38
FY 2014 Budget Recommendation .....	1-46
FY 2014 Budgetary Resources .....	1-47
Economic Competitiveness.....	1-52
FY 2014 Spending Summary .....	1-55
State Workforce.....	1-67
Fiscal Note .....	2-73
Comprehensive State Spending .....	2-75

Financial Statement Explanation .....	2-77
Section 1. Beginning Balances .....	2-78
Section 2: Current Year Revenue and Spending.....	2-79
Section 3. Ending Balances .....	2-83
Financial Statements.....	2-85
Fund Balance Tables .....	2-89
Capital Investment Plan .....	3-101
Debt Affordability Analysis.....	3-107
Section 1A - Revenue by Source and Fund.....	4-113
Section 1B -Non-Tax Revenue Summary.....	4-115
Section 1C - Consolidated Transfers.....	4-117
Appropriation Summary.....	4-123
Appropriation Recommendations .....	4-155
Operating Transfers .....	5-462
Administration and Finance .....	5-462
Education .....	5-463
Health and Human Services .....	5-463
Housing and Economic Development .....	5-464
Independents.....	5-464
Transportation .....	5-465
Section 3.....	6-468
Outside Sections.....	7-484
Introduction .....	8-512
Introduction - Personal Income Tax.....	8-518
List of Personal Income Tax Exemptions.....	8-522
Introduction - Corporate Excise Tax .....	8-548
Computation of the Financial Institution Excise(Non-Combined Reporting) .....	8-552
Computation of the Security Corporation Excise .....	8-554

Summary of 2011 Tax Forms for Insurance Companies .....	8-555
List of Corporate and Other Business Excise Tax Exemptions .....	8-558
Introduction - Sales Tax .....	8-573
List of Sales and Use Tax Exemptions .....	8-575
Appendix A.....	8-588
Appendix B - Glossary.....	8-593
Appendix C - Summary Table .....	8-595
Appendix D - Non-Tax Expenditure Budget Items .....	8-603

## ***Budget Development***

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Spending Plan and Budget Proposal Development .....	1-20
Spending Plan and Budget Proposal Development.....	1-20
FY 2014 Budget Development .....	1-20
Specific and General Financial Policies .....	1-22
Overview of State Finance .....	1-22
Budget Administration.....	1-22
General Fiscal Policies of the Commonwealth .....	1-22
Strategic Fiscal and Budgetary Policies .....	1-25
Performance Management, Accountability and Transparency .....	1-26
Overview of Budget Funds.....	1-26
Long-Term Budget Forecast.....	1-30
Long-Term Forecasting.....	1-30
Measuring Structural Balance .....	1-30
Long-Term Revenue Forecast Methodology .....	1-31
FY 2013 Update .....	1-34
FY 2013 Original One-Time Resources .....	1-34
FY 2013 December Revenue Revision .....	1-34
FY 2013 Fiscal Action Plan.....	1-35
Revised FY 2013 Estimated Spending.....	1-36
Fiscal Year 2014 Budget Development.....	1-38
FY 2014 Budget Recommendation .....	1-46
FY 2014 Budgetary Resources .....	1-47
Economic Competitiveness.....	1-52
FY 2014 Spending Summary .....	1-55
State Workforce.....	1-67



## ***Introduction***

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Included in this section are descriptions and summaries of the annual state budget development process in Massachusetts. To better illustrate the state's budget objectives, we include summaries of the state's organization, fund structure, budget development processes and, finally, the particular factors and challenges affecting next year's budget (FY 2014). Graphs and tables have been provided to help illustrate many of the trends and factors affecting the state budget. Also included within this document is a user guide and glossary to assist in navigating this budget document. We encourage budget readers to visit our online website at [www.mass.gov/budget](http://www.mass.gov/budget).

Serving as a blueprint for the activities and obligations of the year, the state budget reflects the Commonwealth's collective judgment about state government's role in our society, obligations to serve its people and strategic investments to secure its future prosperity. Each program or line-item represents a critical service, program or responsibility that the state will perform or provide to families and individuals throughout the course of the year.

The Patrick-Murray Administration's FY 2014 budget is a balanced, responsible budget. It reflects the continuing financial challenges confronting Massachusetts, along with most other states in union, which is continuing to recovery from the unprecedented impact of the 2008-09 economic recession. Despite continued improvement in revenue growth in FY 2014, the state's revenue is not keeping pace with the rate of growth for costs in core services such as health care, safety net programs, education, public safety and transportation without difficult cuts. The Administration's budget once again reflects difficult choices and fundamentally changes the way we do business across an array of government programs, services and operations. This budget relies on a responsible amount of one-time resources and a modest amount of new revenue, which will assist in preserving crucial state services while maintaining our nationally-recognized fiscal standing.

In addition, the FY 2014 budget invests strategically in a number of areas of state government: funding for public education to help close the achievement gap, controlling growth in health care costs in order to preserve our nation-leading access to affordable health insurance, job creation and addressing youth and urban violence. The Patrick-Murray Administration is committed to protecting these investments and making difficult choices today that will allow us to uphold our responsibilities to future generations and position us for growth in the future.

The following sections describe the particular challenges facing the state in developing the FY 2014 budget and highlights the measures proposed to bring fundamental change and innovation to the way the state does business.

## ***Massachusetts Government Structure***

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The government of the Commonwealth is divided into three branches: the Executive branch, the bicameral Legislature consisting of the House of Representatives and the Senate and the Judiciary.

### **Executive Branch**

#### ***Chief Elected Positions***

##### **Governor**

The Governor is the chief executive officer of the Commonwealth.

##### **Lieutenant Governor**

The Lieutenant Governor is elected along with the Governor. The two work closely together to address important day to day administrative functions of the Commonwealth.

##### **Executive Council**

Also referred to as the "Governor's Council," this body consists of eight members who are elected to two-year terms in even-numbered years. The Executive Council is responsible for the confirmation of certain gubernatorial appointments, particularly judges, and must approve all warrants (other than for debt service) prepared by the Comptroller for payment by the State Treasurer.

### **Appointed Positions**

#### **Governor's Cabinet**

The Governor's Cabinet is comprised of eight gubernatorial appointees who assist the Governor in administration and policy making. Each cabinet secretary serves as the chief executive of their respective executive office.

The eight Cabinet Secretariats are:

- Executive Office for Administration and Finance;
- Executive Office of Health and Human Services;
- Executive Office of Public Safety and Security;
- Executive Office of Housing and Economic Development;
- Executive Office of Labor and Workforce Development;
- Executive Office of Education; and
- Executive Office of Energy and Environmental Affairs.
- Massachusetts Department of Transportation

#### **Secretary of Administration and Finance**

The Secretary of Administration and Finance is the Governor's chief fiscal officer. The activities of the Executive Office for Administration and Finance fall within six broad categories:

- Administrative and fiscal supervision, primarily the implementation of the Commonwealth's annual budget and monitoring of all agency expenditures during the fiscal year in accordance with published long-term fiscal policies;
- State tax law enforcement and collection of tax revenues through the Department of Revenue for remittance to the State Treasurer;

- Human resource management, the administration of the state personnel system, civil service system and employee benefit programs and negotiation of collective bargaining agreements with certain members of the Commonwealth's public employee unions;
- Capital facilities management, coordination and oversight of the construction, management and leasing of all state facilities;
- State 5-year capital plan development and implementation, including state debt affordability policies; and
- General government administration, including operational services and information technology services.

Of note, the Secretary of Administration and Finance serves as Chairperson of the Commonwealth Health Insurance Connector Authority, co-chairs the Massachusetts Life Sciences Center and serves as a member of numerous other state boards and commissions.

### **Secretary of Education**

The Secretary of Education directs the Executive Office of Education and works closely with the Commonwealth's education agencies – Department of Early Education and Care, Department of Elementary and Secondary Education, Department of Higher Education and the University of Massachusetts system - while serving as a voting member of the governing board of all four education agencies. The Secretary is the Governor's top advisor on education and helps shape the Commonwealth's education reform agenda, including closing the achievement gap.

### **Secretary of Energy and Environmental Affairs**

The Secretary of Energy and Environmental Affairs manages the only state Cabinet-level office in the country that oversees both environmental and energy agencies. The Secretary develops and implements policies that safeguard public health from environmental threats, preserves the natural resources of the Commonwealth and ensures affordable and clean energy across Massachusetts.

### **Secretary of Health and Human Services**

The Secretary of Health and Human Services administers the largest secretariat of the Commonwealth and works to achieve the highest levels of health and well-being for all residents of Massachusetts. As the Governor's top health care advisor, the Secretary plays an intricate role in developing health care cost containment strategies.

### **Secretary of Housing and Economic Development**

The Secretary of Housing and Economic Development is the Governor's chief economic development and housing advisor and cabinet member, and is responsible for helping achieve the Governor's top priorities, including strengthening and accelerating our economic recovery by supporting job creation in every region of the state. The Secretary oversees the Commonwealth's business development, housing & community development and consumer affairs agencies.

### **Secretary of Labor and Workforce Development**

The Secretary of Labor and Workforce Development enhances the quality, diversity and stability of the Commonwealth's workforce. This is done through workforce training, providing temporary assistance when employment is interrupted and promoting labor-management partnerships. The Secretary also manages the Joint Task Force on the Underground Economy and Employee Misclassification, working with state officials across state government to combat workplace fraud and protect exploited workers.

### **Secretary of Public Safety and Security**

The Secretary of Public Safety and Security is responsible for the policy development and budgetary oversight of secretariat agencies, independent programs and several boards which aid in crime prevention, homeland security preparedness, youth violence prevention and ensuring the safety of residents and visitors in the Commonwealth.

### **Secretary of Transportation**

The Secretary of Transportation leads an organization that operates with a single mission: to provide a safe, reliable and efficient transportation network for residents of the Commonwealth. The Secretary chairs a five-member Board of Directors appointed by the Governor with expertise in transportation, finance and engineering, and oversees four divisions: Highway, Mass Transit, Aeronautics and the Registry of Motor Vehicles (RMV).

### **State Comptroller**

The State Comptroller is responsible for administering and ensuring lawful and reasoned accounting policies and practices. Among the Comptroller's responsibilities are the publication of official financial reports, the management of the state accounting system and the oversight of fiscal management functions within all state agencies and departments. The Comptroller is appointed by the Governor for a term coterminous with the Governor's and may be removed by the Governor only for just cause.

The annual financial reports of the Commonwealth, single audit reports and any rules and regulations published by the Comptroller must be reviewed by an advisory board. This board is chaired by the Secretary of Administration and Finance and includes the State Treasurer, the Attorney General, the State Auditor, the Chief Administrative Justice of the Trial Court and two persons with relevant experience appointed by the Governor for three-year terms. The Commonwealth's audited annual reports include financial statements on both the statutory basis of accounting (the Statutory Basis Financial Report, or SBFR) and the General Accepted Accounting Principles (GAAP) basis (the Comprehensive Annual Financial Report, or CAFR).

### *Elected Constitutional Officers*

#### **Treasurer and Receiver-General**

More commonly referred to as the State Treasurer, this individual has four primary statutory responsibilities:

- Collection of all state revenues, with the exception of agency-held funds;
- Management of both short-term and long-term investments of Commonwealth funds (excluding state employee and teacher pension funds), including all cash receipts;
- Disbursement of Commonwealth monies and oversight of reconciliation of the state's accounts; and
- Issuance of almost all debt obligations of the Commonwealth, including notes, commercial paper and long-term bonds.

In addition to these responsibilities, the State Treasurer serves as Chairperson of the Massachusetts Lottery Commission, the State Board of Retirement, the Pension Reserves Investment Management Board, the Massachusetts Water Pollution Abatement Trust and the Massachusetts School Building Authority. The State Treasurer also serves as a member of numerous other state boards and commissions, including the Municipal Finance Oversight Board.

#### **Secretary of the Commonwealth**

The Secretary of the Commonwealth, commonly referred to as the Secretary of State, is responsible for collection and storage of public records and archives, securities regulation, state elections, administration of state lobbying laws and custody of the seal of the Commonwealth.

#### **Attorney General**

The Attorney General is the chief lawyer and law enforcement officer of the Commonwealth of Massachusetts. The Attorney General represents the Commonwealth in all legal proceedings in both the state and federal courts, including defending the Commonwealth in actions in which a state law or

executive action is challenged. The office also brings actions to enforce environmental and consumer protection statutes, among others, and represents the Commonwealth in public utility and automobile rate-setting procedures. The Attorney General works in conjunction with the general counsels of the various state agencies and executive departments to coordinate and monitor all pending litigation.

### **State Auditor**

The State Auditor provides independent and objective evaluations of the Commonwealth's financial and operational activities. The State Auditor is charged with improving the efficiency of state government by auditing the administration and expenditure of public funds and reporting the findings to the public. The State Auditor reviews the activities and operations of approximately 750 state entities and verifies contract compliance of private vendors doing business with the Commonwealth.

### **District Attorneys**

The eleven elected Massachusetts District Attorneys and their combined staff of 1,500 employees, including 700 prosecutors and 250 victim-witness advocates are responsible for prosecuting approximately 300,000 cases annually.

### **State Sheriffs**

The fourteen elected Massachusetts State Sheriffs have various county-based responsibilities, including law enforcement, the care and custody of inmates and detainees, judicial services, transportation of prisoners, recidivism, officer training and inmate re-entry programming.

## **Legislative Branch**

The Legislature (officially called the General Court) is the bicameral legislative body of the Commonwealth, consisting of a 40 member Senate and a 160-member House of Representatives. Members of the Senate and the House are elected to two-year terms in even-numbered years. Each General Court meets for a two-year period. January of 2011 marked the start of the 187<sup>th</sup> General Court, which runs through January of 2013. The joint rules of the House and Senate require all formal business to be concluded by the end of July in even-numbered years and by the third Wednesday in November in odd-numbered years. The two legislative branches work concurrently on pending laws brought before them.

Lawmaking begins in the House or Senate Clerk's office where petitions, accompanied by bills, resolves, etc., are filed and recorded in a docket book. The clerks number the bills and assign them to appropriate joint committees. There are over 20 of these committees, each responsible for studying the bills which pertain to a specific area (i.e., taxation, education, health care, insurance, etc.), and each committee is composed of senators and representatives.

The standing committees schedule public hearings for the individual bills, which afford residents, legislators and lobbyists the opportunity to express their views. Committee members meet at a later time in executive session to review the public testimony and discuss the merits of each bill before making their recommendations to the full membership of the House or Senate. The committee then issues its report, recommending that a bill "*ought to pass*", "*ought not to pass*" or "*as changed*" and the report is submitted to the Clerk's office.

All legislation proposing an increase in taxes or a new tax must originate within the House of Representatives. Once a tax bill is originated by the House and forwarded to the Senate for consideration, the Senate may amend it. All bills are presented to the Governor for approval or veto. The Legislature may override the Governor's veto of any bill by a two-thirds vote of each house. The Governor also has the power to return a bill to the chamber of the Legislature in which it was originated

with a recommendation that certain amendments be made; such a bill is then brought before the Legislature and is subject to amendment or re-enactment, at which point the Governor has no further right to return the bill a second time with a recommendation to amend, but may still veto the bill.

### **Judicial Branch**

The judicial branch of state government is composed of the Supreme Judicial Court, the Appeals Court and the Trial Court. The Supreme Judicial Court has original jurisdiction over certain cases and hears appeals from both the Appeals Court, which is an intermediate appellate court, and in some cases, directly from the Trial Court. The Supreme Judicial Court is authorized to render advisory opinions on certain questions of law to the Governor, the Legislature and the Governor's Council. Judges of the Supreme Judicial Court, the Appeals Court and the Trial Court are appointed by the Governor, with the advice and consent of the Governor's Council, to serve until the mandatory retirement age of 70 years.

### **Independent Authorities and Agencies**

The Legislature has established a number of independent authorities and quasi-public agencies within the Commonwealth, the budgets of which are not included in the Commonwealth's annual budget. These include the Commonwealth Connector Authority, Massachusetts Bay Transportation Authority (MBTA), Massachusetts School Building Authority (MSBA), individual Regional Transit Authorities and other entities. Budgetary information can be requested directly from these agencies.

### **Local Government**

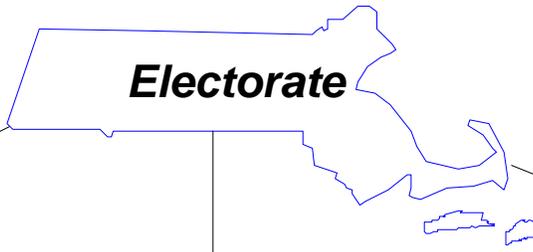
All territory in the Commonwealth lies within one of the 351 incorporated cities and towns that exercise the functions of local government, which include public safety, fire protection and public construction. Cities and towns or established regional school districts provide elementary and secondary education. In addition to schools, various local and regional districts administer water, wastewater and certain other governmental functions. Cities are governed by one of many nuanced variations of the mayor-and-council or manager-and-council form. Most towns place executive power in a board of three or five selectmen elected to one or three-year terms and retain legislative powers in the voters themselves, who assemble in periodic open or representative town meetings.

Municipal revenues consist of taxes on real and personal property, distributions from the Commonwealth under a variety of programs and formulas, local receipts (including motor vehicle excise taxes, local option taxes, fines, licenses and permits, charges for utility and other services and investment income) and appropriations from other available funds (including general and dedicated reserve funds). Because property tax levies are limited by Proposition 2½, an initiative petition approved by the voters in 1980, local governments have become increasingly reliant on distribution of revenues from the Commonwealth to support local programs and services (commonly known as "local aid"). The amount of local aid received varies significantly among municipalities.

The cities and towns of the Commonwealth are organized into 14 counties; county government has been abolished in seven of those counties. The county governments that remain are responsible principally for the operation of courthouses and registries of deeds. Where county government has been abolished, the functions, duties and responsibilities of the government have been transferred to the Commonwealth, including all employees, assets, valid liabilities and debts.

### **Organizational Chart**

The following organization chart identifies the present structure of state government and its constituent agencies.



# Electorate

## Legislative Branch

House of Representatives  
Senate

## Executive Branch

Governor  
Lieutenant Governor  
Governor's Council  
Attorney General  
Inspector General  
Office of the Comptroller  
Sheriffs

State Auditor  
Disabled Persons Protection Commission  
Secretary of the Commonwealth  
Treasurer and Receiver General  
Office of Campaign and Political Finance  
Massachusetts Gaming Commission

Independent Offices and Commissions

## Judicial Branch

Supreme Judicial Court  
Appeals Court  
Trial Courts  
Committee for Public Counsel  
Board of Bar Examiners  
Commission on Judicial Conduct  
Mental Health Legal Advisors

## State Agencies

### Administration and Finance

Executive Office for Administration and Finance  
Appellant Tax Board  
Bureau of the State House  
Civil Service Commission  
Department of Revenue  
Development Disabilities Council  
Division of Administrative Law Appeals  
Division of Capital Asset Management And Maintenance  
George Fingold Library  
Group Insurance Commission  
Health Policy Commission  
Human Resource Division  
Information Technology Division  
Massachusetts Office on Disability  
Teachers' Retirement System  
Operational Service Division  
Public Employee Retirement Administration Commission

### Education

Executive Office of Education  
Department of Early Education Care  
Department of Elementary and Secondary Education  
Department of Higher Education  
State Universities  
Community College  
University of Massachusetts System

### Energy and Environmental Affairs

Executive Office of Energy and Environmental Affairs  
Department of Agricultural Source  
Department of Conservation and Recreation  
Department of Environmental Protection  
Department of Fish and Game  
Department of Public Utilities  
Division of Energy Resources  
State Reclamation Board

### Health and Human Services

Executive Office of Health and Human Services  
Department of Children and Families  
Department of Developmental Services  
Department of Elder Affairs  
Department of Mental Health  
Department of Public Health  
Department of Transitional Assistance  
Department of Veterans' Services  
Department of Youth Services  
Massachusetts Commission for the Blind  
Massachusetts Commission for the Deaf And Hard of Hearing  
Massachusetts Rehabilitation Commission  
Office for Refugees and Immigrants  
Soldiers' Home, Holyoke  
Soldiers' Home, Massachusetts

### Housing and Economic Development

Executive Office of Housing and Economic Development  
Department of Business Development  
Department of Housing & Community Development  
Department of Telecommunications and Cable  
Division of Banks  
Division of Insurance  
Division of Professional Licensure  
Division of Standards  
Massachusetts Marketing Partnership  
Office of Consumer Affairs & Business Regulations

### Labor and Workforce Development

Executive Office of Labor and Workforce Development  
Department of Career Services  
Department of Labor Standards  
Department of Workforce Development  
Division of Industrial Accidents  
Division of Labor Relations

### Public Safety

Executive Office Public Safety and Security  
Department of Criminal Justice Information Services  
Department of Workforce Development  
Department of Corrections  
Department of Fire Services  
Department of Public Safety  
Massachusetts Emergency Management Agency  
Military Division of Massachusetts National Guard  
Municipal Police Training Committee  
Office of the Chief Medical Examiner  
Parole Board  
Sex Offender Registry

### Board of Library Commissioners

### Commission Against Discrimination Center for Health

### Information and Analysis

### Health Care Security Trust

### Transportation and Public Works

Department of Transportation

## ***Overview of the Operating Budget Process***

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The annual budget is a declaration of the Commonwealth's priorities, given available resources, and a statement on how to allocate the resources to best accomplish essential government services. Following the unprecedented fiscal challenges resulting from the 2008-09 downturn, revenues have not recovered to levels prior to FY 2008. In addition, the state continues to face historic levels of demand for public services is greater, particularly for those residents who rely most on state-operated safety net programs. The state's economy continues to recover, but the FY 2014 continues to be challenged to fund the level of services and programs provided during FY 2013.

The operating budget supports the day-to-day functions of state government. The budget is a financial plan, reflecting the state's projected available resources and how it intends to use this funding to operate programs and services and meet its long-term liabilities.

Developing the annual operating budget is a lengthy process that involves all three branches of government, hundreds of agencies and thousands of stakeholders and residents.

- The Governor presents his budget recommendation to the Legislature.
- The House of Representatives and the Senate will each separately review the Governor's budget and develop their own recommendations.
- House and Senate work together to reconcile their budgets and send the final bill to the Governor, who then signs the budget in full, or in part, into law.

### **The Constitution and Budget Related Laws**

The *fiscal year* is a commonly used term to describe annual budgeting period. State fiscal years start in one calendar year and end in the next. For example, fiscal year 2014 extends from July 1, 2013 to June 30, 2014. In a typical year, state agencies have the authority to spend funding provided for a fiscal year over a 14-month period, after accounting for the two month "accounts payable" period through August during which final payments for costs incurred before June 30 are reconciled and made.

The budget planning process for any fiscal year begins before the end of the previous fiscal year. For example, planning for the FY 2014 budget began no later than July 2012. State agencies develop their budget plans for the following fiscal year with the consideration on "out-years" as well, projecting the costs of current state employees, programs and services over the next two years.

The Massachusetts State Constitution and General Laws outline and govern the budgeting process. The Massachusetts Constitution requires the Governor to present a budget to the Legislature within 3 weeks of the beginning of the new session in January. This year that occurs on January 23, 2013. State finance law (Chapter 29 of the Massachusetts General Laws) requires the Legislature and the Governor to approve a balanced budget for each fiscal year. In other words, the Commonwealth cannot spend more than it receives in revenue during any single year. Further, during the fiscal year, the Governor may approve no supplementary appropriation bills that would result in an unbalanced budget.

Funds for the Commonwealth's programs and services must be appropriated by the Legislature each fiscal year. The final budget is a law known as the General Appropriations Act (GAA). The GAA specifies how agencies and departments may spend their appropriations and allocates exact dollar amounts authorized for a specific period and purpose. The budget also lists major revenue assumptions and reflects the most up-to-date projections for the total amount of resources that can be budgeted against from tax collections, reimbursements to the state from the federal government, and other revenues (fees, penalties) that are collected by state agencies.

Developing Next Year's Operating Budget: FY 2014 General Appropriations Act

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FY 2014 Planning

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**Department Planning & Secretariat Review**  
(July-September 2012)

Department and agency staff review their policies and programs, develop spending plans for FY 2013 and 2014 and submit budget requests to their respective Cabinet secretary for review.

The Cabinet Secretaries evaluate the requests and develop a secretariat-wide budget. Secretariats were assigned a spending cap by the Executive Office for Administration and Finance (A&F) based on projections at the time of available FY 2014 revenues.

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**Formal Budget Request**  
(October-December 2012)

Secretariats and agencies submit spending plans to A&F. Independents, constitutional officers and the judiciary also submit spending plans.

The consensus revenue number is announced. The executive and legislative branches jointly agree and commit to a single tax revenue projection for the next fiscal year. Both the Governor's budget and the Legislature's budget will be based off this number.

A&F, under the direction of the Governor's Office, prepares the Governor's budget recommendations. For this year's budget, each secretariat held hearings across the state to solicit input on programs and services under their jurisdiction from the general public. This input was considered by agencies and A&F in the development of their spending plans.

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**Governor's Budget**  
(January 23, 2013)

The formal budget begins as a bill that the Governor submits to the Legislature. According to the Constitution of the Commonwealth of Massachusetts, the Governor must propose a budget for the next fiscal year within 3 weeks after the Legislature convenes, which this year translates into the 4th Wednesday of January.

In odd years, the Governor's budget is called House 1 (H.1) and in even years it is called House 2 (H.2).

Accordingly, the FY 2014 budget will be filed on January 23, 2013. More detailed information regarding the specific budget development process for FY 2014 can be found later in the Budget Development section.

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**House Budget**  
(February-April 2013)

The House Ways and Means Committee reviews the Governor's budget and then develops its own budget recommendation. Individual members of the House of Representatives submit budget amendments which are then debated on the House floor. Once debated, amended and voted on by the full House, it becomes the final House budget bill and moves to the Senate.

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<b>Senate Budget</b> (February-May 2013)	The Senate Ways and Means Committee reviews both the Governor's and House budgets and develops its own recommendation. Individual senators submit budget amendments which are then debated on the Senate floor. Once debated, amended and voted on, it becomes the final Senate's budget.
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<b>Conference Committee Budget</b> (June 2013)	House and Senate leadership assign members to a "conference committee" to negotiate the differences between the House and Senate bills. The conference committee report can only be approved or rejected, no additional amendments can be made.
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<b>Veto</b> (June 2013)	Once approved by both chambers of the Legislature, the Governor has ten days to review it. The Governor may approve or veto the entire budget, or may veto or reduce particular line items or sections, but may not add anything. If the Governor does not act within ten days, the conference committee bill becomes law.
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<b>Overrides</b> (June 2013)	The House and Senate may vote to override the Governor's vetoes. Overrides require a two-thirds roll-call vote in each chamber.
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<b>Final Budget</b> (June - July 2013)	Once the Governor signs the bill with his recommended vetoes, it becomes the budget for the fiscal year. The final budget is also known as the General Appropriations Act (GAA) or "Chapter (# to be determined) of the Acts of 2014."
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The new fiscal year 2014 begins on July 1, 2013.

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### Developing Supplemental Budgets

While the GAA is the primary budget law, it is customary for supplemental budgets to be passed within a fiscal year, typically where unanticipated funding needs have been identified for critical items or additional budget legislation is required to implement a funding requirement. A supplemental budget authorizes additional spending above GAA levels. A supplemental budget is similar to the GAA but is generally smaller in size and often contains technical or "corrective" language in addition to increasing funding. It addresses unforeseen growth and/or decline in state revenues and or additional expenses and/or savings. The supplemental budget process is the same as the GAA budget process; supplemental budgets are bills filed by the Governor with the Clerk of the House of Representatives, debated and passed by both the House and Senate, negotiated in a Conference Committee and signed by the Governor in order to become law.

The timeline for supplemental budget legislation is usually shorter since supplemental budgets often provide funding for unforeseen situations that need timely resolution. For example, supplemental budget funding may be necessary from year to year to ensure that the Commonwealth can pay for unanticipated additional costs for snow and ice removal. In this case, at the time the GAA became law

specific assumptions for the winter's costs for snow and ice removal were in place. As the winter progresses and the state's Department of Transportation begin to manage snow and ice removal, total projected costs may change and additional funding may be necessary.



## ***Spending Plan and Budget Proposal Development***

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### **Spending Plan and Budget Proposal Development**

The Executive Office for Administration and Finance (A&F) is the state agency responsible for preparing the Governor's budget recommendations and for oversight of the annual budget enacted by the Legislature, known commonly as the General Appropriations Act or the GAA. Under state law, every state agency is required to annually prepare a budget for review and evaluation by the Secretary for A&F. The spending plan typically includes staff, expenditure and revenue estimates for the current fiscal year (FY 13) as well as the agency's anticipated staffing additions or deletions, expenses and receipts for the next fiscal year (FY 14) based on the assumption that they will maintain the same level of services and programs from one year to the next.

In July of each year, after the GAA is signed into law by the Governor, agencies present spending plans to A&F to identify in extensive detail how funds appropriated for the current fiscal year will be spent. These spending plans reflect each agency's plans to operate their programs and services for the current fiscal year. Agencies are also requested to reflect any changes that may be necessary to their operating budgets, whether savings or increased costs, that will result from projects and investments made through the five-year capital plan.

For FY 2013 most state agencies were funded with modest increases above FY 2012 levels. This required that many state agencies continue to find ways to account for increased costs within their budget, particularly for such items as collectively-bargained wage increases, mileage increase and inflation in fuel and leasing costs. Agencies submitted their FY 2013 plans to A&F for review in August 2012. Spending plans were approved in September 2012 after A&F budget analysts carefully reviewed all spending and revenue projections. These approved plans then served as the base for then developing the FY 2014 budget.

#### **FY 2014 Budget Development**

In developing budget recommendations for FY 2014, agencies incorporated projected costs for the programs and services they operate, such as anticipated changes in staffing, caseload growth or increases in fixed costs such as fuel and energy costs. Agencies also take into account changes in laws, regulations and policies that will impact programs and services for the next year. Based on revenue projections and other changes that A&F projected for available budgetary resources, agencies were asked to focus on developing spending plans for FY 2014 with an emphasis on controlling or preventing growth in spending over the projected FY 2013 spending levels.

Two new legislative changes of note for FY 2014 were the federal Affordable Care Act and Massachusetts' 2012 Health Care Reform Law (Chapter 224 of the Acts of 2012). Agencies were required to include within their FY 2014 budget projections how each of these laws would affect their spending and revenues in the upcoming budget year.

On December 4, 2012 Governor Patrick announced budgetary spending reductions and other fiscal measures necessary to address a \$540 M budget shortfall in FY 2013. (This is described in greater detail in a later section). This introduced another challenge to the FY 2014 budget development process since state agencies were required to adjust their approved spending plans for the current and corresponding budgets for FY 2014 based on these announced reductions.

After reviewing reported agency cost in FY 2014 and consulting A&F's long-term financial modeling of sustainable growth levels, A&F established spending parameters that would be necessary in FY 2014 to balance the state's budget. Agencies were required to submit proposals that would ensure that total

spending fell below FY 2014 reported costs. These plans were submitted to A&F and serve as the base for the Governor's FY 2014 budget recommendations.

Throughout the fall and early winter, A&F continued to work with agencies to develop their spending proposals. Agencies were given the opportunity to review and revise the line items, make reform and re-organization proposals and other changes necessary to live within budgetary parameters and meet core requirements of state government. Following the submission of spending targets, A&F worked with each secretariat to assess the impact of reductions and identify which cuts will be most challenging for agencies to implement. A&F has sought to mitigate these reductions to the greatest extent possible.

On December 12, 2012 the annual Consensus Revenue hearing was held by the administration, the Senate and the House. The three branches received testimony from the Department of Revenue and other economists regarding the amount of tax revenue that could be expected for FY 2013 and 2014. The expert testimony forecast revenues continuing to grow and a recovering economy. At the same time, the economists also warned of slowing growth in the national economy, most notably as a result of the "fiscal cliff" resulting from triggered budget cuts and tax increases at the federal level. .

For the third straight year, A&F established an Inter-Secretariat Budget Team (ISBT) to identify and develop additional cost-saving proposals. The ISBT team members were selected from across the secretariats and were charged with developing innovative ideas that would help to mitigate budgetary reductions and improve how government works. This team worked with A&F throughout the FY 2014 budget process and will continue their work after the submission of the FY 2014 budget to ensure timely implementation of the approved solutions.

### ***Fiscal Year 2014 Post-Budget Release Process***

In preparation for the start of FY 2014 (July of 2013), A&F will continue to work with agencies to develop implementation plans well ahead of the beginning of the fiscal year. As part of the budget development process most agencies have successfully identified areas already where reductions to programs and services will be necessary or where they may capitalize on efficiencies. However, due to the complexity of some recommended programmatic changes, in some cases agencies have not yet been able to determine exactly how they will restructure programs to live within recommended funding levels. The implementation planning process led by A&F helps to best ensure that all necessary steps are completed by the beginning of FY 2014 to ensure that agencies will be able to operate at expected funding levels.

### **Specific and General Financial Policies**

#### **Overview of State Finance**

The state's finance laws are outlined in **Chapter 29** of the Massachusetts General Laws. (In August of 2012 the Governor signed legislation that constituted a significant re-write of Chapter 29 –Chapter 165 of the Acts of 2012- although most items related to the budget development process were left unchanged.) They require that the Governor file a balanced budget, that the House and Senate each produce a balanced budget and that the final general appropriation act (GAA) is in balance accordingly. Any supplemental budget bill that may accompany or follow a budget cannot impair the overall fiscal balance. Typically, surplus resources at the end of any given fiscal year will be deposited into the Commonwealth's Stabilization Fund, also known as the Rainy Day Fund. Any further use of the Fund's resources must be explicitly authorized in legislation.

Prior to the Governor's submission of the budget, the Secretary of Administration and Finance and the House and Senate Committees on Ways and Means are required to reach agreement on a "consensus tax revenue forecast" from which to build their spending projections. The consensus revenue process for FY 2014 is discussed in more detail later in this section. In addition to tax revenues, non-tax revenues are forecast within the Governor's budget and factor into the total amount of resources that are available to the state to support its costs in FY 2014.

#### **Budget Administration**

State finance law requires the Commonwealth to monitor revenues and expenditures during a fiscal year. As such, the Secretary of Administration and Finance is required to provide quarterly revenue estimates to the Governor and the Legislature and the Comptroller publishes a quarterly report of planned and actual revenues. Department heads are required to notify the Secretary of Administration and Finance and the House and Senate Committees on Ways and Means of any anticipated decrease in estimated revenues for their departments from the federal government or other sources. Those same parties are also notified if a department projects that any appropriation will be insufficient to meet all expenditures required in the fiscal year by any law, rule, regulation or order not subject to administrative control.

If a revenue shortfall is identified, the Governor is required by section 9C of Chapter 29 to reduce agency appropriations or recommend a transfer from other funds. On December 4, 2012 the Governor, noting the requirements of section 9C, announced spending reductions and other necessary measures in order to ensure that FY 2013 budget remained in balance. This resulted after a \$540 M budgetary shortfall was recognized, largely due to underperformance in state tax collections.

In other years, if additional revenues are available, the Governor may recommend a supplemental budget. At the end of the fiscal year, the Comptroller determines the statutory balance of the budgeted funds and transfers any excess funds to the Stabilization Fund.

#### **General Fiscal Policies of the Commonwealth**

The following principles and policies were used to guide the development of the FY 2013 budget:

## **Financial Reporting**

The Commonwealth possesses strong reporting capabilities, supported by accounting and payroll systems that are used consistently throughout state agencies and from which data is updated to an information warehouse.

- State agencies utilize the accounting and payroll systems to ensure adequate audit controls are in place for the purpose of reporting on the receipt and expenditure of tax dollars and other revenues.
- The presentation of the annual Statutory Basis Financial Report, Comprehensive Annual Financial Report and official bond statements will continue to adhere to full disclosure.
- Websites will continue to be published to present the annual budget in an interactive format.
- Since November 2011, the public has been able to visit the state's transparency website, "Open Checkbook", which is regularly updated with state payroll and expenditure data

## **Revenue**

- In preparation of the annual budget, a consensus revenue estimate for taxes must be agreed to by the executive and legislative branches and will serve as the basis for building the budget.
- All revenue received by departments will be deposited with the Treasurer and recorded in the accounting system, ensuring the timely and transparent receipt of all state funding sources.

## **Cash Flow**

- The Cash Management Division of the State Treasurer's Office utilizes close to a thousand operating accounts to track cash collections and disbursements for the Commonwealth. The Division relies primarily upon electronic receipt and disbursement systems. The State Treasurer, in conjunction with Comptroller and the Executive Office for Administration and Finance, monitors cash to maximize the Commonwealth's return on investment and minimize the use of borrowing.
- The State Treasurer, in conjunction with the Executive Office for Administration and Finance, is required to submit quarterly cash flow projections for the current fiscal year to the House and Senate Committees on Ways and Means on or before the last day of August, November, February and May. The projections must include estimated sources and uses of cash, together with the assumptions from which such estimates were derived and identification of any cash flow gaps. The State Treasurer's office, in conjunction with the Executive Office for Administration and Finance, is also required to develop quarterly and annual cash management plans to address any gap identified by the cash flow projections and variance reports. Legislation approved by the Governor on July 27, 2012 provides for monthly rather than quarterly distributions of local aid, beginning in fiscal 2014.
- The State Treasurer's office oversees the issuance of short-term debt to meet cash flow needs, including the issuance of commercial paper.

## **Expenditures**

- The Comptroller is responsible for oversight of fiscal management functions, establishment of accounting policies and practices and publication of official financial reports.
- The Comptroller maintains the Massachusetts Management Accounting and Reporting System (MMARS), the centralized state accounting system that is used by all state agencies and departments, but not independent state authorities. MMARS provides a ledger-based system of revenue and expenditure accounts enabling the Comptroller to control obligations and expenditures effectively and to ensure that appropriations are not exceeded during the course of the fiscal year.

- MMARS also tracks receivables, payables, fixed assets and other process management.
- The Comptroller will annually review policies governing transactions in MMARS.

### Expenditure Controls

- The amount of all obligations under purchase orders, contracts and other commitments for the expenditures of moneys are required to be recorded as encumbrances. Once encumbered, these amounts are not available to support additional spending commitments.
- As a result of these encumbrances, agencies can use MMARS to determine at any given time the amount of their appropriations available for future commitments.
- The bulk of state appropriations must be “subsidiarized” in the central accounting system with total funding budgeted and allocated for spending categories such as payroll, travel, operational expenses, leases and information technology services.
- Executive branch agencies are restricted from transferring funds between spending categories without first gaining the approval of the Executive Office for Administration and Finance.
- Total cash allotments, or the amount of total appropriations available for actual expenditure at any given time, are subject to a published schedule by the Secretary of Administration and Finance. A&F staff will consult state cash flow projections and agency expenditure activity before approving any increased allotments beyond the published schedule.

### Internal Controls

- The Comptroller establishes internal control policies and procedures in accordance with state finance law. These policies require all departments to develop and maintain an internal control plan. Agencies are required to adhere to such policies and procedures.
- All unaccounted-for variances, losses, shortages or thefts of funds or property must be reported to the State Auditor, who is authorized to investigate and recommend corrective action.

### Reserves

- The Commonwealth will aggressively seek to replenish the Commonwealth Stabilization Fund when able to do so.
- Capital gains tax revenues that exceed \$1.023 B will be deposited into the Fund to better calibrate spending with reliable revenue streams and to build a cushion against future economic and fiscal uncertainty. In fiscal year 2014 total capital gains receipts are projected to total \$1.06 B, an estimated \$37 M will be deposited in the Fund under this policy.
- Any one-time tax or other revenues collected as a result of a judgment or settlement of outstanding tax litigation that exceeds \$10 M will be segregated and deposited into the Stabilization Fund, ensuring that this non-recurring revenue source is not relied on for general budget needs. Thus far in FY 2013 (through December 2012), the Attorney General and Commissioner of Revenue have certified \$120 M for transfer to the Stabilization Fund on account of settlements and judgments.

### Debt Affordability

- The Commonwealth conducts an annual debt affordability analysis to determine the affordable level for the administrative bond cap (determining annual borrowing levels).
- Required funding for debt service and other debt-like instruments will not exceed 8% of budgeted revenues.

## Capital Budget

- Bond-funded capital spending will be limited by an annual administrative bond cap. The cap will be established based on debt affordability, and annual growth in that cap will not exceed \$125 million between FY 2012 and FY 2015.
- A five-year capital investment plan will be developed and update annually, and will focus on affordability, targeted investments in projects that maintain our existing infrastructure and/or promote economic growth, and transparency.

## Pensions

- The Commonwealth will continue to follow a pension funding schedule to address our unfunded liability and to pursue reforms that will reduce costs over the long term.
- In addition, 5% of any capital gains in excess of the statutory threshold (see above) will be used to fund the Commonwealth's unfunded pension liability.

## *Other Post-Employment Benefits*

- To address the Commonwealth's retiree health care funding liability, reforms have been adopted that will annually allocate a portion of the state's tobacco master settlement revenue to the State Retiree Benefits Trust Fund (SRBTF), the trust from which we pay for retirees' health costs. This portion of the tobacco settlement will increase incrementally each year until 2022, when it will be fully dedicated to SRBTF. In addition, included in Pension Reform legislation adopted in FY 2012, a new Commission was established to study and propose recommendations to further address the state's unfunded liability.
- In addition, 5% of any capital gains in excess of the statutory threshold (see above) will be used to fund the Commonwealth's OPEB liability.

## Strategic Fiscal and Budgetary Policies

In developing the FY 2014 budget, special attention was paid in the following areas:

- Cost-containment in the state's various health care programs, including the costs for current and retired state employees and health coverage for low-income and unemployed residents in the Commonwealth.
- Preservation of programs to ensure residents can lead safe and healthy lives and find long-term employment in a competitive global economy:
  - Addressing youth and urban violence through investments in our youth and communities
  - Closing the achievement gap and protecting education funding as a cornerstone of long-term economic growth and opportunity.
  - Increasing job creation through investments that enhance Massachusetts' ability to compete for the jobs and businesses of tomorrow, such as green technology and the life sciences, while ensuring a more competitive environment for the state's private employers in more traditional sectors.
  - Ensuring the state's most vulnerable populations, particularly the disabled and those who have served our country, can continue to receive assistance and life-changing services from the state where needed.

- Adopt government reforms that promote efficiency and sustainability of services and ensure state dollars are stretched further in challenging fiscal times.
  - Implementing technology improvements to support innovative service delivery to improve services for the public at lower costs to taxpayers.
  - Pursuing shared service models across state government more aggressively for the most-effective administration and operation of state agencies and programs.
  - Improving state purchasing and procurement processes to leverage state buying power and drive further cost savings.
- Identify additional recurring revenues to support worthwhile programs while recognizing the state cannot afford to maintain all programs and services that have been operated in the past.
- Reduce the use of temporary or one-time resources to balance the budget.
- Utilize long-term financial model to set annual and multi-year budget targets with respect to expected revenues, sustainable spending levels and appropriate annual use of non-recurring resources in developing a balanced budget.

### **Performance Management, Accountability and Transparency**

- The FY 2012 budget established the Office of Commonwealth Performance, Accountability and Transparency (CPAT) to execute nation-leading strategies for improving performance and transparency, maximizing federal grants, reducing fraud, waste and abuse and informing our financial planning by using the latest economic and caseload forecasting tools.
- Since it was inaugurated in July 2011, CPAT has had some notable successes in driving reform and innovation across state government:
  - Performance Management - establishing a collaborative relationship with the Collins Center at UMASS Boston to develop strategies and dashboards for the Governor's four strategic priorities; initiating discussions with Secretariats to develop strategic plans and publish them by January 2013; and rolling out a comprehensive training program on performance management for staff across state government.
  - Enhanced Coordination and Federal Grants - leveraging experience in coordinating ARRA funds to secure and maximize federal dollars and ensure compliance with federal requirements; engaging Cabinet Secretaries to develop better cross-government coordination of grant applications and rewards; utilizing the outcome measurement regime required to comply with the federal Recovery Act for all grants secured in state government; and commencing procurement of unified grants management technology that will enable coordination to be achieved.
  - Transparency Website - launching the State's Open Checkbook website in December, which details state spending, including payrolls and pensions.
  - Program Integrity - making permanent the Lt. Governor's task force on fraud, waste and abuse, and coordinating efforts throughout government, including with other executive officers such as the Auditor and Attorney General.
  - Economic Forecasting & Analysis - appointing its Advisory Board and conducting its first meeting; developing its forecasting approach and methodology; began working with high impact service areas, such as MassHealth (Medicaid), to better model caseloads; and linking historical data into a 5-year economic model.

### **Overview of Budget Funds**

Government Fund Types account for the general governmental activities of the Commonwealth and are organized as follows:

*Budgeted Funds* are the primary operating funds of the Commonwealth. They account for all budgeted governmental transactions. Typically, the level of expenditures made annually from these fund sources is “subject to appropriation”, meaning that no payments can be made from these funds until they are explicitly authorized in the state budget. The main budgeted funds include the General Fund the Commonwealth Stabilization Fund, the Massachusetts Tourism Fund, and the Commonwealth Transportation Fund, which are identified by the Comptroller as the operating funds of the Commonwealth. .

*Non-Budgeted Special Revenue Funds* are established by law to account for specific revenue sources that have been segregated from the budgeted funds to support specific governmental activities such as federal grants, funds related to the tobacco settlement and the operations of the state lottery. Typically, these funds are available annually to one or more agencies for dedicated purposes, but do not require annual legislative approval for the use of the funding. Most funds are subject to annual reporting rules and all funds are subject to state accounting and audit practices.

*Capital Projects Funds* account for financial resources used to acquire or construct major capital assets and to finance local capital projects. These resources are derived from proceeds of bonds and other obligations, which are generally received after related expenditures have been incurred, operating transfer authorized by the Legislature and federal reimbursements. Deficit balances in the Capital Projects Funds represent amounts to be financed.

*Fiduciary Funds* account for assets held by the Commonwealth in a trustee capacity (Trust Funds), or as an agent (Agency Funds) for individuals, private organizations, other governmental units and/or other funds.

*Expendable Trust Funds* account for trusts whose principal and investment income may be expended for a designated short-term purpose. They typically are created administratively for a brief period to allow a state agency to collect one-time revenue and spend this funding for a dedicated purpose. For example, the Department of Public Health receives funding from private organizations from time to time to conduct research and studies on specific issues and must collect and segregate funding dedicated for this purpose from all other funding sources.

*Nonexpendable Trust Funds* account for trusts whose principal cannot be spent.

*Post Employment Benefit Trust Fund* account for the net assets available for plan benefits held in trust for State Employees’ and Teachers’ Retirement Systems and Other Post Employment Benefits (OPEB) for retirees.

*Agency Funds* account for assets the Commonwealth holds on behalf of others. Agency Funds are custodial in nature and do not involve measurement of operations.

## **Individual Budgeted Funds**

Statutory balance is defined as *a measure of the fiscal condition which includes current year budgeted revenues and expenditures plus any designated revenues from prior years, stabilization deposit and funds carried forward*. It also includes any use of stabilization or any other non-budgeted reserves. A more general discussion of the funds is below:

The *General Fund* is the Commonwealth’s primary governmental fund. All governmental activities not specifically directed to another fund are accounted for in the General Fund. As a result, most budgeted expenditures of the Executive secretariats, the Legislature, Constitutional offices, Judiciary, institutions of higher education and independent commissions are paid for from the General Fund. It similarly receives a significant portion of sales, individual income and corporate taxes and the full amount of

most other governmental taxes. It also receives federal reimbursement generated by the Commonwealth's Medicaid expenditures.

The *Commonwealth Transportation Fund* accounts for road and highway use revenues, including the gas tax, registry fees and 0.385% of the sales tax. The fund is used to pay debt service associated with highway maintenance and construction projects and provides funding for the operation of the independent Massachusetts Department of Transportation (MassDOT). Established as part of the historic transportation reforms implemented in FY 2010, this fund replaced the former *Highway Fund* as the principal source of transportation related revenues and expenditures for the Commonwealth.

The *Massachusetts Tourism Fund*, authorized in section 35J of Chapter 10 of the General Laws, is funded with 35 % of the State's annual revenues received from the hotel occupancy tax authorized in section 3 of Chapter 64G. In FY 2013, Tourism Fund revenues are estimated to total \$44.9 M. The Fund's use is prescribed in Chapter 10, which includes a formula that assigns various funding levels for tourism promotion programs and activities including the Massachusetts Office of Travel and Tourism, regional tourism promotion agencies, the Massachusetts Office of International Trade and Investment, the Cultural Facilities Fund and the Massachusetts Convention Center Authority. While funding for the purposes prescribed in the section are being made in this budget, the specific requirements of the fund have been suspended through an outside section in the Governor's FY 2014 proposal.

The *Marine Recreational Fisheries Development Fund* accounts for all recreational saltwater fishing permit fees collected by the director of the division of marine fisheries. Fees collected in this fund shall be used for the development and administration of the recreational saltwater fishing permit program, to support science and conservation programs designed to improve recreational saltwater fishing and other recreational saltwater fishing improvement programs.

The *Commonwealth Stabilization Fund* is a reserve to enhance the Commonwealth's fiscal stability. A later section describes the Stabilization Fund in more detail.

*Administrative Control Funds* account for the revenues generated by certain administrative functions of government, for which the Legislature has required that separate funds be established. These funds include:

- *Temporary Holding Fund* –The fund accounts for cumulative tax revenues during the fiscal year in excess of permissible tax revenues as defined in Section 6A of Chapter 62F of the General Laws. The fund balance is transferred annually to the Stabilization Fund only to the extent that stabilization funds are used to fund expenditures of the Commonwealth. Overall, any remaining balance is transferred to the General Fund.
- *Intragovernmental Service Fund* – Accounts for the charges of any state agency for services provided by another state agency, for example, charges levied by the Human Resources Division for workers' compensation costs.

The *Inland Fisheries and Game Fund* accounts for revenues from license and permit fees for inland fishing, hunting, trapping and sporting licenses and revenue-producing stamps or the sales of land, rights and properties, gifts, interest and federal grant reimbursements. These revenues are used for developing, maintaining and operating the Division of Fisheries and Wildlife within the Department of Fish and Game. Annual spending from this fund is subject to annual appropriation by the Legislature, and any unexpended funds remain in the Fund for future use for related purposes.

The *Community College Fund*, established in Chapter 194 of the Acts of 2012 (An Act Establishing Expanded Gaming in the Commonwealth), will collect 17 percent of any one-time gaming licensing funding paid to the Massachusetts Gaming Commission by Category 1 or Category 2 licensees. In FY 2014, this amount is calculated to total \$29.8 M.

The *Manufacturing Fund*, established in Chapter 194 of the Acts of 2012 (An Act Establishing Expanded Gaming in the Commonwealth), will collect 13 percent of any one-time gaming licensing funding paid to the Massachusetts Gaming Commission by Category 1 or Category 2 licensees. In FY 2014, this amount is calculated to total \$22.75 M.

The *Local Aid Stabilization Fund*, established in Chapter 194 of the Acts of 2012 (An Act Establishing Expanded Gaming in the Commonwealth), will collect 5 percent of any one-time gaming licensing funding paid to the Massachusetts Gaming Commission by Category 1 or Category 2 licensees. In FY 2014, this amount is calculated to total \$8.75 M.

The *Local Capital Projects Fund*, established in Chapter 194 of the Acts of 2012 (An Act Establishing Expanded Gaming in the Commonwealth), will collect 11 percent of any one-time gaming licensing funding paid to the Massachusetts Gaming Commission by Category 1 or Category 2 licensees. In FY 2014, this amount is calculated to total \$19.25 M.

The *Public Infrastructure Fund*, established in the Governor's House 1 budget proposal, and effective on July 1, 2014 (the beginning of fiscal year 2015), will be credited with all the proceeds generated from the 4.5 percent state sales tax to fund public works to support transportation, the school building fund, and other infrastructure. The dedicated penny for the School Building Authority and MBTA will be preserved and given priority, with the second tranche of funds being dedicated to the Commonwealth Transportation Fund to fully support investments identified in MassDOT's recently releasing financing plan "*The Way Forward: A 21<sup>st</sup> Century Transportation Plan*", with any remaining amount dedicated for other new or ongoing non-transportation public infrastructure projects.

### **Long-Term Forecasting**

The Patrick-Murray Administration is the first Administration in Massachusetts to establish a long-term planning policy to ensure that the state budget is consistent with the principle of fiscal sustainability. The FY 2014 budget achieves fiscal sustainability based on an evaluation of structural balance as defined by the Commonwealth's Long-Term Fiscal Policy Framework, which is posted on [www.mass.gov/anf](http://www.mass.gov/anf). Structural balance is achieved when budgetary spending is based on sustainable levels of revenue and does not include excess spending that would result in a structural deficit. When the economy is operating under capacity, the policy benchmark to evaluate structural balance compares the cyclical shortfall in tax revenue to the use of one-time resources included in the budget to offset this shortfall. When the economy is operating over capacity, the policy benchmark compares the cyclical surplus in tax revenue to the deposit of excess resources into the Stabilization Fund.

The Governor's proposed FY 2014 budget is in structural balance because the proposed use of \$393 M in one-time resources is significantly lower than the estimated \$1.313 B cyclical shortfall. The \$393 M in one-time resources is based on the \$555 M figure identified in the budget development write-up, net of \$162 M in projected stabilization fund deposits. The estimated cyclical deficit of \$1.313 B is based on the long-term revenue forecast that was developed in concert with the consensus tax revenue process as described below.

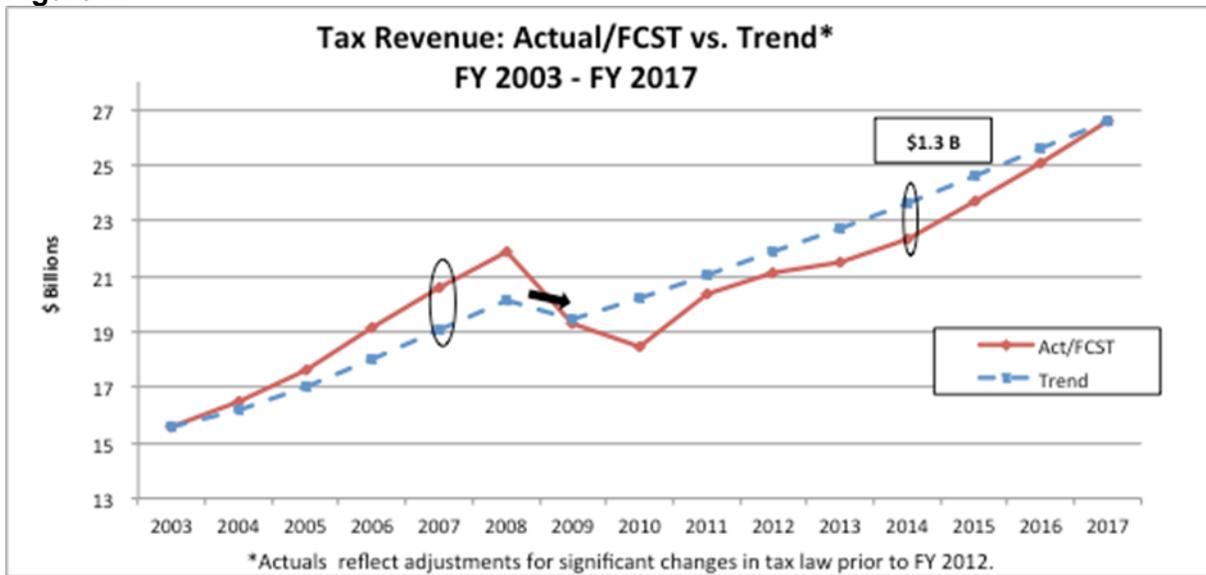
Note that these forecasts do not include the impact on revenue and spending of the Governor's revenue proposal. This revenue proposal would eventually increase the long-term tax revenue forecast by over \$1.9B annually to fund new investments in transportation, education, and innovation, with a portion of the new revenue generated in FY 2014 used to support current budgetary spending. In future years, the entire amount of new revenue would be applied towards new investments as the fully annualized impact of the revenue proposal is realized and the projected economic recovery provides additional resources to support existing programs. As a result, while the proposed changes to tax policy would have a significant impact on the different components of the structural balance analysis in the future, the evaluation based on the forecast developed earlier this year still provides a reasonable basis to evaluate the benchmark.

### **Measuring Structural Balance**

The policy benchmark for structural balance is based on a framework for long-term tax revenue forecasting, developed by the Executive Office of Administration and Finance (A&F) and the state's Office of Tax Policy Analysis, using revenue projections provided by outside economists. The revenue forecast is also used to evaluate other policy benchmarks, described in the Long-Term Fiscal Policy Framework, based on best practices recommended by the Government Finance Officers Association (GFOA).

The FY 2014 budget achieves structural balance based on an estimated \$1.313 B cyclical shortfall and the use of \$393M in one-time resources, net of deposits into the stabilization fund. The cyclical shortfall represents the difference between the FY 2014 consensus tax revenue estimate of \$22.334 B and A&F's estimate of \$23.647 B in tax revenue that the Commonwealth would generate if the economy were at full capacity or "on trend." The difference between actual/forecasted tax revenue and trend tax revenue is depicted in Figure 1. The development of these estimates is described in more detail in the "Long-Term Revenue Forecast Methodology" section that follows.

Figure 1.



The use of \$393 M in one-time resources provides a significant margin of safety in comparison to the cyclical shortfall. Further, the Governor's proposed budget will maintain \$1.035 B in stabilization fund balances at the end of FY 2014. The Commonwealth currently has the third highest stabilization fund balance in the country. The projected stabilization fund balance for year-end FY 2014 will ensure that there are sufficient resources to support the balance of the economic recovery and to provide protection in the event of another economic slowdown. For further discussion of the Stabilization Fund balance, see the Budget Challenges section.

## Long-Term Revenue Forecast Methodology

The long-term tax revenue forecast used to estimate the cyclical shortfall is developed in three steps. The foundation for the analysis is the 10-year tax revenue forecast developed by outside economists for the FY 2013 - FY 2022 time period. Second, these forecasts include an estimate of the long-run "steady-state" tax revenue growth rate, which reflects the level of tax revenue growth that may be expected in the future when the economy is at full capacity. The third step is to develop an imputed revenue-trend line, which is based on the FY 2022 tax revenue estimate for each forecast, discounted for the steady-state rate of revenue growth.

A summary of the external forecasts, the Administration's estimates for long-term tax revenue growth, key assumptions and calculations are included in Table 1 below. These results show strong revenue growth of 6.0% annually during a projected economic recovery between FY 2014 and FY 2017, a steady state growth estimate of 4.0% applied to the period between FY 2018 and FY 2022, and a resulting growth rate of 4.7% during the full forecast period. The cyclical shortfall reflects the difference between the FY 2014 consensus tax revenue estimate of \$22.334 B and \$23.647 B, which is the FY 2014 estimate associated with the revenue trend-line calculated using the formula described above and noted in Table 1.

**Table 1.**

Commonwealth of Massachusetts					
Long-Term Tax Revenue Forecast Summary*					
FY 2013 - FY 2022 (\$ Ms)					
<b>Tax Revenue Assumptions</b>	(1)				
FY13 Consensus Tax Revenue		\$21,496			
FY14 Consensus Tax Revenue		\$22,334			
		External Forecasts			
		Low	Median	High	A & F Estimate
<b>Key Data Points</b>					
FY17 Tax Revenue Forecast		\$25,232	\$27,305	\$27,851	\$26,600
FY22 Tax Revenue Forecast		\$29,448	\$33,128	\$33,745	\$32,363
<b>Compounded Annual Growth Rates (CAGR)</b>	(2)				
FY13-FY22		3.6%	4.9%	5.1%	4.7%
FY14-FY17 (Recovery)		4.2%	6.9%	7.6%	6.0%
Long-Run Steady-State		2.9%	4.0%	4.3%	4.0%
<b>Calculation of Estimated Cyclical Shortfall</b>					
A) FY14 Trend	(3)	\$23,341	\$24,158	\$24,076	\$23,647
B) FY14 Consensus Tax Revenue		\$22,334	\$22,334	\$22,334	\$22,334
C) FY14 Estimated Cyclical Shortfall (A-B)		-\$1,007	-\$1,824	-\$1,742	-\$1,313
MEMO: FY 2013 Cyclical Shortfall					-\$1,242

\* Forecasts were received in December 2012 and were subsequently adjusted for consensus revenue estimates.

(1) Growth calculations use FY 2013 and FY 2014 consensus revenue. Any variance between consensus tax figures and individual forecaster estimates are assumed to be timing differences that are resolved in FY 2014 - FY 2015

(2) Includes assumed inflation for FY15-FY22 of 2.0%

(3) FY14 Trend Tax Revenue = (FY22 Tax Revenue Forecast)/(1+4.0%)<sup>8</sup>

**Role in the Long-Term Planning Framework**

The long-term tax revenue forecast also plays a central role in developing other policy benchmarks that are included in the Commonwealth’s Long-Term Fiscal Policy Framework. The projections for long-term growth in tax revenue and the Massachusetts economy are used to formulate policy benchmarks for the sustainable rate of growth in total spending and health care spending in the budget. The projected rate of growth for Massachusetts gross state product, which is inherent in the tax revenue forecast, is used to evaluate projected changes in the level of long-term liabilities as a percentage of the state economy over time.

In addition, M.G.L. Chapter 224, the Health Care Cost Containment law, requires the Secretary of A & F and the House and Senate Ways & Means Committees to develop an estimate of long-term growth in Massachusetts potential gross state product, to be used by the Health Policy Commission to set the state’s health care cost growth benchmark. Potential gross state product, a measure of the output of the Commonwealth’s economy excluding fluctuations due to the business cycle, is also an estimate of the long-term trend in gross state product.

The alignment of these policy benchmarks and the best practices for long-term planning prescribed by GFOA and GASB are described in more detail in the complete Long-Term Fiscal Policy Framework, which will be updated based on the FY 2014 budget proposal and posted on [www.mass.gov/anf](http://www.mass.gov/anf).

### **Long-Term Planning and Annual Budget Development**

Beginning in FY 2012, the A & F budget staff has consulted the Long-Term Fiscal Policy Framework cited above to establish parameters for agency and program cost growth based on projected annual revenues over medium- and long-term periods. These parameters were used to inform decision-making related to allowable hiring and related program expenditures, as well as served to help A & F develop funding targets for FY 2014 to ensure that state spending ultimately could be sustained by available resources.

**FY 2013 Update**

In July 2012, the Governor signed into law the FY 2013 General Appropriations Act (GAA) – Chapter 139 of the Acts of 2012. The FY 2013 budget authorized spending of \$32.509 B (or \$34.060 B when including the \$1.552 B annual pension contribution), a 4.9 percent increase from FY 2012 actual expenditures of \$30.976 B.

**FY 2012 Year-End Supplemental Funding for FY 2013**

Similar to most fiscal years, total FY 2013 spending was increased upon the adoption of “year-end” FY 2012 supplemental budget legislation, which authorized \$117 M in FY 2012 budgetary appropriations (known as Prior Appropriations Continued or “PACs”) to continue to be expended into FY 2013. The year-end FY 2012 supplemental bill (Chapter 239 of the Acts of 2012) also provided additional supplemental appropriations for FY 2013 in the amount of \$176.3 M. These changes brought total FY 2013 spending to \$32.802 B.

**FY 2013 Original One-Time Resources**

When the Governor signed the FY 2013 budget into law the, Executive Office for Administration and Finance (A&F) projected a total of \$616 M in non-recurring or “one-time” resources needed to maintain a balanced budget this year.

<b>FY 2013 One-Time Resources</b> \$s in millions	
	<b>FY 2013 Original</b>
Budgetary Resources:	
Stabilization Resources:	350
Delay FAS 109 Deduction:	46
Suspend Statutory Carry-Forward:	110
Unclaimed Check Fund (non-recurring):	10
Non-Budgetary Resources:	
Group Insurance Trust Funds:	45
Quasi Public Contributions:	11
Commonwealth Care Reserves:	44
<b>TOTAL ONE TIME RESOURCES</b>	<b>616</b>

The largest one-time resource was \$350 M of Stabilization Fund (also known as rainy day fund) resources. In addition, an estimated \$110 M was estimated in one-time resources by suspending the requirement that one-half of 1 percent of tax revenues be held in reserve and “carried-forward” from FY 2013 to FY 2014. Other one-time resources were \$46 M in delaying the FAS 109 tax deduction and \$110 M in utilizing non-budgetary resources, largely in health care related trust funds and from shifting costs to quasi-public authorities for programs in-line with their missions.

**FY 2013 December Revenue Revision**

Through November, total year-to-date state tax revenues had been performing at \$235 M below benchmark. The factors that were most cited by economic forecasters as contributing to the

underperformance in revenues were the continued uncertainty surrounding the so called “fiscal cliff” (potential federal tax increases and spending cuts) and the global economic slowdown, particularly within the European markets. On December 4, 2012 the Secretary of Administration and Finance informed the Governor that total FY 2013 tax revenues were projected to be \$515 M less than the original GAA assumption of \$22.011 B, or \$21.496 B. In addition, the Secretary noted that, of the taxes collected through November, \$25 M had already been used for dedicated purposes, making them unavailable to support general budgetary spending and therefore increasing the total budgetary shortfall to \$540 M.

**FY 2013 Fiscal Action Plan**

<b>Fiscal Action Plan (\$s in millions)</b>	
Change in Estimated FY 2013 Tax Receipts:	<b>(515)</b>
Year-To-Date Dedicated One-Time Tax Settlements:	<b>(25)</b>
Projected Budgetary Shortfall:	<b>(540)</b>
<b>Solutions:</b>	
Increase Rainy Day Fund Withdrawal:	200
Executive Branch Reductions (net)*:	157
Increased Medicaid and Federal Revenue:	98
Non-Executive Branch Reductions (1%):	25
Reduced Sales Tax Transfer to School Building Authority:	20
Local Aid Reduction (1%):	9
Health Care and Debt Service Savings:	20
Other Fund Surpluses:	11
sub-total:	<b>540</b>
Remaining Gap:	-
*Total Recurring Executive Branch reductions are \$225 M; after accounting for reduced federal revenue resulting from the spending reductions, the net budgetary savings is \$157 M.	

On December 4, 2012 the Governor announced a fiscal action plan to close the forecast \$540 M shortfall. The plan was implemented consistent with the Administration’s published long-term fiscal policy which requires that no more than 50 percent of any mid-year budget shortfall should be solved using one-time budget resources. The plan called for increasing the rainy day fund draws from \$350 M to \$550 M this year. Executive Branch reductions totaled \$157 M net (\$225 M gross), of which \$10 M was one-time in nature through spending delays or payment shifts. In addition, the Governor proposed 1 percent reductions across the Executive and Non-Executive branches and unrestricted general governmental aid to cities and towns, estimated to provide budgetary savings of \$34 M. The plan also called for using \$98 M in additional federal revenues, \$49 M of which could only be collected on a one-time basis. Other solutions included: \$20 M less in tax transfers to the School Building Authority, resulting from lower forecasted sales tax revenues; \$20 M of projected savings in debt service costs and health care savings based on updated spending projections; and, \$11 M in one-time resources from non-budgetary resources. The one-time solutions announced by the Governor totaled \$270 M. While the Governor’s plan required reduced spending (by an estimated 1 percent statewide) the Governor noted that these actions were not on scale with those required during the 2008-09 economic downturn when in FY 2009 alone budgeted tax revenues dropped over \$3 B, from \$21.402 B to \$18.260 B.

In order to implement the non-executive branch and local aid reductions and the increased rainy day fund withdrawal, the Governor filed legislation on December 4. The Governor also filed supplemental budget legislation calling for increased funding in a limited number of key areas to address time-sensitive deficiencies, such as family homeless funding and public counsel costs.

As a result of the proposed Fiscal Action Plan, A&F updated its projected one-time resources needed to balance the FY 2013 budget to a total of \$919 M. In addition to the \$270 M in increased one-time sources outlined above, A&F also estimates that \$36 M of FY 2012 PACs carried into FY 2013 are used to supporting ongoing costs and has updated the value of the suspension of the statutory carry-forward to reflect the revised FY 2013 tax revenue estimate.

<b>Revised FY 2013 One-Time Resources</b>	
<b>\$s in millions</b>	
	<b>FY 2013 Revised</b>
<b>Budgetary Resources:</b>	
FY12 Resources Used to Support Ongoing FY13 Costs:	36
Stabilization Resources:	550
Delay FAS 109 Deduction:	46
Suspend Statutory Carry-Forward:	107
Unclaimed Check Fund (non-recurring):	10
Federal Revenues (9C Announcement):	49
One-Time Reductions:	10
<b>Non-Budgetary Resources:</b>	
Trust Sweeps or Cost Shifts:	11
Group Insurance Trust Funds:	45
Quasi Public Contributions:	11
Commonwealth Care Reserves:	44
<b>TOTAL ONE TIME RESOURCES</b>	<b>919</b>

**Revised FY 2013 Estimated Spending**

The table outlines the changes to the FY 2013 spending since the Governor signed the budget into law, including PACs, supplemental funding, 9C reductions (implemented and proposed), and net A&F contingencies (combination of surpluses and deficiencies recognized in A&F's budget assumptions). All FY 2013 estimated spending amounts used in this document and the Governor's FY 2014 budget proposal reflect these assumptions.

<b>FY 2013 Estimated Spending \$s in millions</b>	
<b>FY 2012 Spending</b>	<b>30,976</b>
<b>FY 2013 GAA</b>	<b>32,509</b>
<i>FY 2012 Prior Appropriations Continued (PACs) into FY 2013</i>	117
<i>Supplemental Budget - Chapter 239 of 2012</i>	176
<i>December 4 Fiscal Action Plan Reductions</i>	(259)
<i>Net ANF Contingency Expenditures</i>	25
<b>FY 2013 Estimated Spending</b>	<b>32,568</b>
<b>FY 2013 GAA - % Change from FY 2012 Spending</b>	<b>4.9%</b>
<b>FY 2013 Estimated Spending - % Change from FY 2012</b>	<b>5.1%</b>

### **Fiscal Year 2014 Budget Development**

#### *Critical Factors for the FY 2014 Budget Development*

When developing the annual operating budget, there are three factors that must be considered:

- Loss of any one-time resources utilized in the preceding year's budget;
- Growth in costs to operate state programs and services from the previous year; and,
- Annual change in available budgetary revenues, including tax collections and other non-tax sources.

Since the state budget must be balanced each year, the year-to-year impact of these factors – and how they affect available budgetary resources - will play a critical role in determining how challenging it will be for developing a balanced budget for any given year.

#### *One-Time Resources*

As noted in the preceding section, the state budget in FY 2013 relies on an estimated \$919 M in one-time resources, after accounting for the December 4 fiscal action plan, to remain in balance. This amount is above one-time resources used in FY 2012, but still within the sustainable level of one-time resources as documented by A&F's released long-term fiscal policy framework. The policy, however, stresses the importance to limit the reliance on one-time sources, particularly as the economy recovers. Given the limited availability and appropriateness of one-time sources, therefore, the FY 2014 budget was developed from the starting point that it was necessary to ensure that FY2014 one-time sources were less than the level budgeted in FY 2013. A more detailed section follows addressing the state's Stabilization Fund (also referred to as the rainy day fund).

#### *Cost Growth and Major Budget Increases*

Since state tax revenues experienced an historic drop in FY 2009 (falling over \$3 B in one year) the state has had to control state spending through reductions, reforms and other savings initiatives across almost every area of state government. This has been in the face of growth in program caseloads to historic highs among state-operated safety net programs, such as MassHealth (Medicaid), Supplemental Nutrition Assistance Program (formerly known as Food Stamps) and family homelessness. Enrollment and utilization growth in these and other related programs has required the state to shift resources away from other areas in order to preserve the state's safety net for those populations most impacted by the economic downturn.

In FY 2014, for most areas in state government only a modest level of cost growth can be sustained within existing budgetary resources. However, there are a limited number of areas where cost growth is likely and must be accounted for in preparing the FY 2014 budget proposal. This list of items includes state health care spending on subsidized care for low-income residents and on employee and retiree health care costs; human services/safety net spending; K-12 aid to cities and towns (Chapter 70); debt service; and annual state pension contributions. Over the past several fiscal years these cost drivers have constituted the majority of year-on-year increases that have had to be accounted for in developing the annual operating budget. Other areas in the state budget typically experience modest cost increases from year to year, mostly related to negotiated wage increases, leasing, the cost of fuel or related factors that are sensitive to annual cost inflation.

#### *Annual Change in Budgetary Resources*

The third critical factor in developing next year's budget is the amount of budgetary resources that will be available to support operating expenses next year. As discussed in further detail below, tax revenues make up the largest component of state budgetary resources, representing 63 percent of the total estimated FY 2013 budgetary revenues. Tax revenues also typically represent the greatest

contributor to new state revenues in any given year. Other important resources include non-tax revenues such as federal reimbursements and departmental revenues. Historically, these revenues have increased consistently with related programmatic expenditures. Similarly, other budgetary transfers from non-budgeted sources have been relatively flat from year-to-year.

**FY 2014 Tax Revenues**

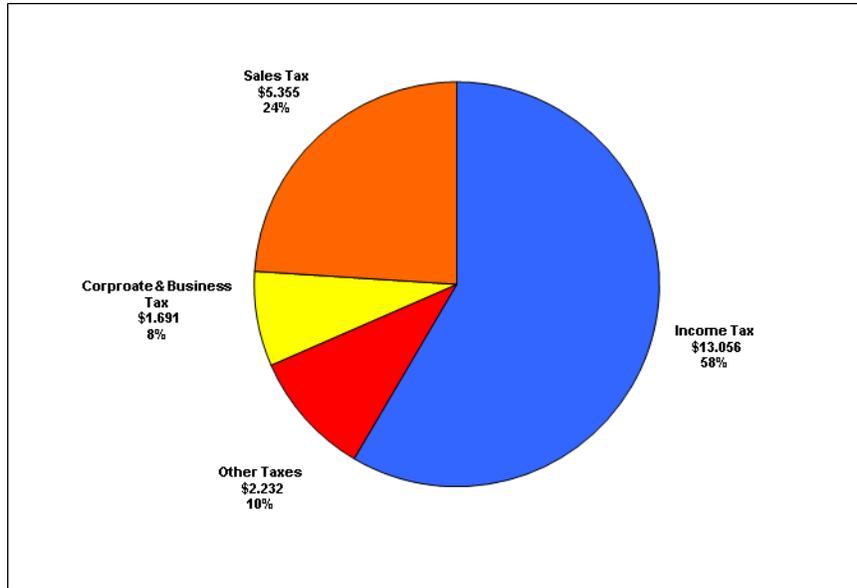
As discussed in greater detail below, tax revenues in FY 2014 are projected to increase over FY 2013 levels, as the state economy continues to recover from the recession. Tax revenues in FY 2014, however, will still be substantially below what they would have been in FY 2014 without the economic recession. The FY 2014 consensus tax projection totals \$22.334 B.

<b>FY 2014 Tax Consensus Figures</b>	
<b>(\$s in millions)</b>	
Original FY13 Tax Consensus Figure*:	22,011
Revised FY13 Tax Projection (Dec. 4, 2012):	21,496
FY13 Revised vs. Original:	(515)
FY14 Tax Consensus Figure:	22,334
<b>FY14 Consensus vs. FY13 Revised Estimate</b>	<b>838</b>
<i>*Includes \$46 M for one-time tax increase associated with the delay of FAS 109 corporate tax deduction.</i>	

*FY 2014 Tax Revenue Consensus Forecast*

Tax revenues comprise nearly 63% of all revenues used to support the Commonwealth's operating budget. Each year, the Administration and the House of Representatives and Senate consult with economists and other groups to gather information and analysis on the condition of the U.S. and Massachusetts economies. They use that information to project state tax revenue for use in the state budget. The following is a general description of the consensus revenue process followed to establish the budgetary tax revenue estimate.

**FY 2014 Consensus Tax Revenue Estimate of \$22.334  
(in \$ Billions)**



## General Information Regarding Consensus Revenue

The consensus revenue process is required under M.G.L. c.29, s.5B, and states that on or before January 15 the Secretary for Administration and Finance shall meet with the House and Senate Committees on Ways and Means and shall jointly develop a consensus tax revenue forecast for the budget for the next fiscal year, which shall be agreed to by the Secretary and the House and Senate. The law requires that the consensus revenue estimate be placed before the General Court in the form of a joint House and Senate Resolution for full consideration.

On December 11, 2012, the Secretary for Administration and Finance and the House and Senate Committees on Ways and Means held a public hearing in Boston and heard testimony from the Massachusetts Department of Revenue (DOR), the Massachusetts Taxpayers Foundation, Beacon Hill Institute and economists from the University of Massachusetts and Northeastern University. The three branches subsequently agreed upon a FY 2014 tax revenue estimate of \$22.334 B, consistent with testimony presented at the hearing. This estimate also assumes that the state will collect \$1.06 B in capital gains-related revenues in FY 2014, \$37 M of which will be deposited into the Stabilization Fund under the state law that caps the amount of this volatile revenue source that can annually be included in the operating budget.

As part of the statutorily required consensus revenue process, the Secretary, House and Senate also agree on the amount of tax revenues that will need to be transferred to support the State's Retiree Pension Fund, the School Building Authority, the MBTA (Massachusetts Bay Transportation Authority) and the Workforce Training Trust Fund pursuant to statutory requirements.

For FY 2014, these transfers are estimated to total \$3.154 B and will be directed to the following funds in the following amounts:

- School Modernization and Reconstruction Trust Fund = \$ 703.6 M;
- MBTA State and Local Contribution Fund = \$ 799.6 M;
- Pension Reserves Investment Trust Fund = \$ 1.630 B; and
- Workforce Training Trust Fund = \$21.6 M.

## Basis for the FY 2013 Consensus Revenue Forecast

On December 4, 2012, the Executive Office for Administration and Finance reduced the FY 2013 revenue estimate of \$22.011 B (The \$22.011 B estimate reflects the FY 2013 consensus tax estimate of \$21.950 B adjusted for the impact of FY 2013 revenue initiatives and the sales tax holiday) by \$515 M, to \$21.496 B. Based on updated economic forecasts and testimony taken at the consensus revenue estimate hearing held on December 11, 2012, the FY 2013 tax revenue estimate has been kept unchanged at \$21.496 B, and the FY 2014 revenue estimate has been set at \$22.334 B (<http://www.mass.gov/anf/press-releases/fy2013/consensus-on-fy-2014-revenue-forecast-announced.html>). The basis for these revenue estimates is described below.

All three economic forecasters used by the Commonwealth in developing its revenue forecasts (Economy.com, Global Insight, and the New England Economic Partnership) assume that the Massachusetts economic growth will remain slow in FY 2013 but improve in FY 2014, though the uncertainty is still very high mostly due to U.S. fiscal policy challenges and the Eurozone's recession and sovereign debt/banking crisis.

The FY 2013 and FY 2014 tax revenue estimates are based on the following economic assumptions, as presented at the December 11, 2012 consensus estimate hearing:

- The growth of the national economy is expected to remain slow in FY 2013 but improve in FY 2014. Uncertainties related to the global economic slowdown (particularly in the Eurozone economies) and U.S. fiscal policies continue to be sources of risk to economic growth. Real

GDP growth for the full FY 2013 is projected to be 1.9% compared to growth of 2.0% in FY 2012 and 2.2% in FY 2011. In FY 2014, real GDP growth is projected to range from 2.3% to 3.0%;

- Massachusetts employment levels are expected to grow by 0.8% to 1.2% over the remainder of FY 2013, and by 0.9% to 1.2% for FY 2013 as a whole. For FY 2014, Massachusetts employment is expected to increase by 1.0% to 1.3%;
- Massachusetts personal income (excluding capital gains) is expected to grow by 3.7% to 3.8% over the remainder of FY 2013 and 3.9% for FY 2013 as a whole. For FY 2014, Massachusetts personal income is projected to grow by 4.3% to 6.0%;
- Massachusetts wages and salaries are projected to increase by 4.1% to 4.7% for the remainder of FY 2013 and 4.2% to 4.7% for the year as a whole. For FY 2014, the growth in Massachusetts wages and salaries is projected to range from 4.2% to 6.8%;
- Massachusetts retail sales growth is expected to range from 3.6% to 4.4% over the remainder of FY 2013 and 4.0% to 5.2% for the FY as a whole. For FY 2014, Massachusetts retail sales are projected to grow by 2.6% to 4.2%;
- Corporate profits at the national level are expected to increase by 4.4% to 10.0% over the remainder of FY 2013, and by 6.8% to 12.1% for the FY as a whole (there are no forecasts for state corporate profits). For FY 2014, growth in corporate profits is projected to range from 2.1% to 4.8%;
- The stock market, as measured by the average of the S&P 500 over the entire year, rose by 8.7% in calendar year 2012 (which largely determines FY 2013 capital gains taxes), and is expected to increase by 3.9%-6.9% in calendar year 2013 (which largely determines fiscal year 2014 capital gains taxes). Massachusetts capital gains realizations are projected to increase by 17.8% in calendar year 2012 and increase by 2.7% in calendar year 2013.

In the first half of FY 2013, tax revenue collections increased by \$204 M, or 2.1% actual and 2.7% baseline (the baseline measure adjusts for tax law and processing changes that affect revenue collections) compared to the same period in FY 2012. Based on the economic assumptions and other factors described above, tax collections for the remainder of FY 2013 are projected to increase by \$177.6 M, or 1.6% actual, and \$234.0 M, or 2.1% baseline, from the same period last year. FY 2014 tax revenues are projected to grow by \$838 M, representing a 3.9% actual increase and a 4.3% baseline increase from the updated FY 2013 forecast. The details of the forecast are set out in the two tables below.

**FY13 Tax Revenues -- Year-to-Date Results and Forecast for Remainder of Fiscal Year**

Tax Type	FY13 YTD			FY13 Full Year Revenue Estimate	FY13 Estimate Change From FY12 (\$ Millions)	FY13 Revenue Estimate Change from GAA Estimate* (\$ Millions)
	Baseline Growth through 12/12	% Baseline Growth Remainder of FY13	% Baseline Growth Full Year FY13			
Total Income	4.1%	6.0%	5.6%	12,463	552	-257
Withholding	4.1%	2.1%	3.7%	10,036	269	-167
Sales	2.1%	3.2%	2.6%	5,176	117	-134
Corporate/Business**	-1.6%	-16.4%	-10.7%	2,037	-283	-87
Other	-0.1%	-0.1%	-0.1%	1,819	-5	-37
<b>Total</b>	<b>2.7%</b>	<b>2.1%</b>	<b>2.6%</b>	<b>21,496</b>	<b>381</b>	<b>-515</b>
Memo: Capital Gains Taxes	NA	NA	10.6%	1,100	106	0

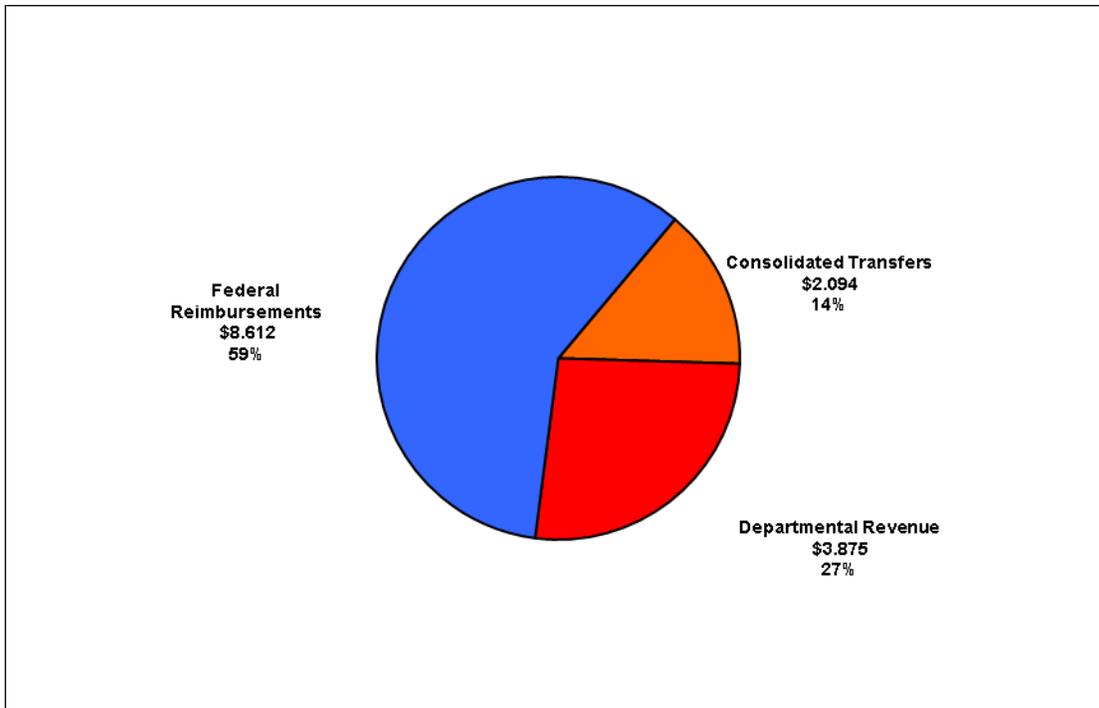
\* Includes impacts of revenue initiatives and the Sales Tax Holiday in August 2012

\*\* Includes impact of one-time corporate/business tax payments for FY12 and FY13

**FY14 Consensus Tax Revenue Forecast**

Tax Type	% Actual Revenue Growth from FY13	% Baseline Revenue Growth from FY13	FY14 Revenue Estimate (\$ Millions)	FY14 Growth from FY13 (\$ Millions)
Withholding	4.7%	4.7%	10,504	468
Sales	3.5%	3.3%	5,355	179
Corporate/Business	2.5%	5.8%	2,087	50
Other	0.9%	1.0%	1,835	16
<b>Total</b>	<b>3.9%</b>	<b>4.3%</b>	<b>22,334</b>	<b>838</b>
Memo: Capital Gains Taxes	-3.6%	-3.6%	1,060	-40

**House 1 Total Non-Tax Revenues: \$14,581 B**  
(in \$ Billions)



**Federal Revenues**

Federal revenues are collected through reimbursements for the federal share of entitlement programs such as Medicaid and through block grants for programs such as Temporary Assistance for Needy Families (TANF) and Child Support Enforcement. The amount of federal reimbursements to be received is determined by state expenditures and federal regulations that govern federal programs. Staff from the A&F work with agencies to project spending levels for these federally-supported programs and the resulting federal reimbursements those expenditures will generate. Federal revenues are projected to increase by \$453.4 M next year, largely reflecting increased Medicaid expenditures, for which the federal government typically reimburses the state \$0.50 for every dollar expended.

**Departmental Revenues**

Departmental revenues are derived from licenses, tuition, fees for programs and services, reimbursements and assessments for services including, but not limited to, revenues from the Registry of Motor Vehicles, reimbursement of healthcare costs from municipalities participating in the state’s Group Insurance Commission (GIC) health care programs, drug rebate money received by the Executive Office of Health and Human Services, interest earnings received on the state’s budgeted fund balances and fees collected by the Secretary of State’s Office. To the extent possible, the Administration has minimized fee increases. However, MGL Chapter 7:3B provides for an annual review of fees to confirm that they are sufficient to defray the cost of providing the service. As part of this exercise, A&F analyzes historical non-tax revenue receipts and works with agencies to develop budget-year projections for these revenues. During the budget process, agencies are asked to review the fees to ensure they are current and reflect the actual cost of doing business. In FY 2014, total departmental revenues are projected to grow modestly by \$69.6 M before accounting for additional revenue proposals, largely due to increased economic activity and cyclical fee collections.

As mentioned above, the Governor’s budget includes two sections that give a detailed overview of projected non-tax revenue for FY 2014. Section 1B details projected FY 2014 non-tax revenue receipts by the department, board, commission or institution that administers and collects the respective revenue source. The online version of the Governor’s budget allows the user to further examine each governmental area and view the title and description of each revenue source contributing to that area’s

total non-tax revenue. Additionally, the fund statements, which are included in the “Financial Statements” section of the budget document, offer another view of departmental revenues by operating fund.

***Consolidated Transfers***

Consolidated transfers reflect inflows to the General Fund from non-budgeted funds which include annual tobacco settlement proceeds received as part of the Master Settlement Agreement with tobacco companies, net revenues from the State Lottery Fund, fringe revenue to recoup the cost of various statewide benefits assessed on non-budgeted funds and revenues from the Commonwealth’s Unclaimed Property Division. The Executive Office for Administration and Finance solicits agency feedback and uses historical data to project transfers to and from the budgeted funds for the proposed budget year. Section 1C of this document provides further detail behind this revenue type. In FY 2014, consolidated transfers are projected to decline by \$91.9 M.

## FY 2014 Budget Recommendation

### FY 2014 Budget Recommendation

Annual Change in Budgetary Resources, FY 2013 vs. FY 2014 (\$s in millions)			
Revenue Category	FY 2013 Estimated	FY 2014 House 1	Annual Change
Projected Base-Line Tax Collections (excluding one-time FAS 109 Delay in FY13):	21,450.0	22,334.0	884.0
Transfer of Capital Gains in Excess of Maximum for Budgetary Purposes to Rainy Day Fund:	(100.0)	(37.0)	63.0
Transfer for Annual Pension Contribution:	(1,552.0)	(1,630.0)	(78.0)
Transfers of Tax Revenue to MBTA, SBA, and Workforce Training Fund:	(1,490.7)	(1,529.0)	(38.3)
Federal Reimbursements:	8,158.4	8,611.8	453.4
Departmental Revenues:	3,348.2	3,417.8	69.6
Consolidated Transfers from Non-Budgeted Sources:	1,749.5	1,657.7	(91.9)
Prior Year Funds Used to Support Current Year Non-Recurring Budgetary Spending:	173.4	28.0	(145.4)
One-Time Sources for Recurring Costs (including Stabilization Fund withdrawal, eliminating Carry-Forward and FAS 109 Delay):	820.1	513.0	(307.1)
<b>Other New Revenues Supporting the Budget:</b>			
Increased Tax Revenue (Includes Motor Fuel Taxes):	-	791.0	791.0
Revenue Anticipation Notes:		400.0	400.0
Gaming Budgetary Revenues:	-	83.0	83.0
Employer Responsibility Health Care Assessment:	-	94.0	94.0
Modernize Bottle Redemption:	-	24.0	24.0
Enhanced Tax Enforcement:	-	27.0	27.0
Amazon Agreement and Expansion of Hotel Tax to Rental Units:	-	29.0	29.0
<b>CHANGE IN BUDGETARY RESOURCES (INCLUSIVE OF RESOURCES FOR THE PENSION CHANGE):</b>			<b>2,257.4</b>
Additional Off-Budget One-Time Resources:	99.0	10.0	(89.0)
<b>TOTAL CHANGE, FY 2013 vs FY2014</b>			<b>2,168.4</b>

The tables provided above and immediately below outline the year-on-year changes in major revenue and spending categories. The following narrative summarizes the contributing factors to the annual changes adopted in the Governor's House 1 budget recommendations. As shown in the table, total budgetary resources in FY 2014 are estimated to increase by \$2.257 B from FY 2013 estimated levels. A corresponding increase in spending is recommended, and the FY 2014 Spending Summary section outlines the major changes adopted within these spending assumptions.

FY 2013 Estimated Spending vs. FY 2014 House 1 Recommendation (\$s)			
Spending Category	FY 2013 Estimated Spending	FY 2014 House 1	Annual Change
Judiciary	777,777,825	808,468,103	30,690,277
District Attorneys	101,329,973	103,160,535	1,830,561
Sheriffs	512,994,922	522,315,138	9,320,216
Other Constitutional Offices	192,042,911	188,996,140	(3,046,771)
Lottery Division	89,113,321	90,892,716	1,779,395
Debt Service	2,368,477,959	2,429,552,869	61,074,910
Comptroller	60,942,945	58,543,692	(2,399,253)
Legislature	66,184,475	65,374,164	(810,311)
Administration and Finance	337,271,223	316,745,683	(20,525,540)
Group Insurance Commission	1,298,847,997	1,362,226,112	63,378,115
Energy and Environmental Affairs	203,037,066	224,010,561	20,973,495
Health and Human Services	4,917,578,099	5,120,637,514	203,059,415
MassHealth	10,859,431,334	12,277,879,935	1,418,448,601
Housing and Economic Development	470,602,829	458,695,973	(11,906,856)
Labor and Workforce Development	41,341,324	44,071,217	2,729,893
Higher Education Campuses	857,463,222	930,673,973	73,210,751
Executive Office of Education	1,169,147,840	1,463,022,636	293,874,796
K-12 Aid (Chapter 70)	4,173,783,011	4,397,257,332	223,474,321
Local Aid	916,760,490	956,760,490	40,000,000
Public Safety	969,837,771	1,007,278,097	37,440,326
Health Connector Authority	661,249,148	470,637,393	(190,611,755)
Transfers for Payments to Hospitals and Providers	751,914,223	485,449,470	(266,464,753)
Other Transfers to Non-Budgetary Funds	6,500,000	2,625,000	(3,875,000)
State Retiree Health Care	415,042,237	425,044,755	10,002,518
Life Sciences Innovation Investments	-	25,000,000	25,000,000
Transportation	348,912,182	589,673,153	240,760,971
<b>Total Appropriated Spending</b>	<b>32,567,584,328</b>	<b>34,824,992,653</b>	<b>2,257,408,325</b>
State Pension Contribution	1,552,000,000	1,630,000,000	78,000,000
Total Spending Including Pensions	34,119,584,328	36,454,992,653	2,335,408,325

## FY 2014 Budgetary Resources

### FY 2014 Tax Consensus Change

As noted in a previous section, the FY 2014 tax consensus figure announced on January 15, 2013 jointly by the Secretary of Administration and Finance and the Chairs of the House and Senate Committees for Ways and Means totaled \$22.334 B. After accounting for \$46 M of the FY 2013 tax projection of \$21.496 B coming from one-time resources generated by the delay of the FAS 109 deduction, the total baseline tax revenue growth before any tax law changes equals \$884 M.

### FY 2014 Capital Gains

The estimated FY 2014 tax receipts associated with capital gains totals \$1.060 B, down from the FY 2013 assumption of \$1.1 B. A contributing factor to this decrease is the anticipated shift that may occur in capital gains receipts from FY 2014 to FY 2013 resulting from increased federal taxes on capital gains effective January 1, 2013. This change was adopted under the New Year's Day agreement reached by Congress to avoid most of the tax increase and spending reduction triggers under the so-called fiscal cliff. Given the volatile nature of capital gains receipts, the Governor and the Legislature worked to adopt a reform that restricts the amount of capital gains receipts that can be used for budgetary purposes in any given year. In FY 2013, that ceiling is \$1 B, but grows to \$1.023 B in FY 2014 (reflecting changes adopted in 2012 State Finance Reform legislation). Given that capital gains receipts as a component of the total tax estimate have decreased while the budgetary cap for capital gains increased in FY 2014, the effect increases total budgetary resources in FY 2014 by \$63 M.

### **FY 2014 Pension Contributions**

Typically, state pension costs are not appropriated within other annual state appropriations or “line-items”. Rather they are prescribed in other budget legislation or within the state budget’s “outside sections” that accompany the appropriations. Under a pension funding scheduled adopted in Section 46 of the state’s FY 2012 General Appropriations Act (GAA) –Chapter 68 of the Acts of 2011- the annual state contribution in FY 2014 for existing and future pension costs totals \$1.630 B, an increase of \$78 M from the FY 2013 contribution. While these costs are not appropriated directly in the Governor’s House 1 filing, they must be budgeted for, and the year-on-year increase has the effect of reducing budgetary resources in FY 2014 by \$78 M from FY 2013.

### **FY 2014 Transfers of Tax Revenue**

Under state law, specific amounts of the consensus revenue estimates are dedicated for annual transfers for dedicated purposes: the Massachusetts School Building Authority, the Massachusetts Bay Transportation Authority and the Workforce Training Fund. The first two receive an annual percentage of the state sales tax collections, while the third receives dedicated employer contributions to the Workforce Training Fund for grants to support incumbent worker training in the private sector. In total, the FY 2014 consensus forecast projects these transfers to equal \$1.529 B, an increase of \$38.3 M from the FY 2013 estimate of \$1.490 B. Similar to pensions, this annual increase has the effect of reducing budgetary resources when comparing year-on-year changes.

### **FY 2014 Non-Tax Revenues**

As described in an earlier section, the three major categories of state non-tax revenues are: federal reimbursements, departmental revenues and transfers from non-budgetary sources. Total non-tax revenues are forecast to grow in FY 2014 by \$431 M, from \$13.256 B in FY 2013 to \$13.687 B in FY 2014. The major contributor to this increase is additional projected federal revenues (\$453 M) largely associated with state MassHealth (Medicaid) expenditures. In addition to growth in Medicaid reimbursements resulting from increased Medicaid spending, the state will be eligible to receive an enhanced federal Medicaid matching fund percentage associated with the federal Affordable Care Act (ACA) that becomes effective on January 1, 2014. Department revenues are forecast to increase modestly by \$69 M in FY 2014, or growth of 2 percent. Finally, increases in federal and departmental revenues are offset by a \$91.9 M reduction in budgetary transfers. The decrease is attributable to the projected reduction in state fringe revenue in FY 2014 and one-time transfers from non-budgetary sources in FY 2013 that are budgeted to support one-time costs this year.

### **Prior Year Funds and Reserves**

The FY 2013 budgetary resources currently include an estimated \$173 M in reserves largely funded through prior-year appropriations extended into FY 2013 for one-time purposes. The Governor’s FY 2014 House 1 recommendation does not assume that unspent funds in FY 2013 will be made available in FY 2014, and therefore only projects a limited amount of reserves will be carried forward. The year-on-year impact is \$145 M less in budgetary resources than FY 2013; however, these reductions are typically offset by like reductions in spending.

### **FY 2014 One-Time Sources**

As noted earlier, total estimated FY 2013 one-time resources equal \$919 M, which are listed above as \$820 M of one-time sources for recurring costs and \$99 M of additional off-budget one-time resources (largely from the use of surplus trust resources of the Health Connector and the Group Insurance Commission). These compare to total FY 2014 one-time resources of \$555 M.

FYs 2013 and 2014 One-Time Resources		
\$\$ in millions		
	FY 2013 Revised	FY2014 House 1*
<b>Budgetary Resources:</b>		
FY12 Resources Used to Support Ongoing FY13 Costs:	36	-
Stabilization Resources:	550	400
Delay FAS 109 Deduction:	46	-
Suspend Statutory Carry-Forward:	107	-
Unclaimed Check Fund (non-recurring):	10	-
Federal Revenues (9C Announcement):	49	-
One-Time Reductions:	10	-
Adjust DSTI Hospital Payments Fund:	-	41
One-Time Gaming Funds Supporting Ongoing Costs:	-	32
Sale of Assets:	-	32
<b>Non-Budgetary Resources:</b>		
Trust Sweeps or Cost Shifts:	11	40
Group Insurance Trust Funds:	45	-
Quasi Public Contributions:	11	-
Commonwealth Care Reserves:	44	-
One-Time Shift of Health Care Costs to Gaming Funds:	-	10
<b>TOTAL ONE TIME RESOURCES</b>	<b>919</b>	<b>555</b>
*For discussion of the use of new proposed FY 2014 tax revenues supporting, please refer to the Long-Term Fiscal Policy section of this document.		

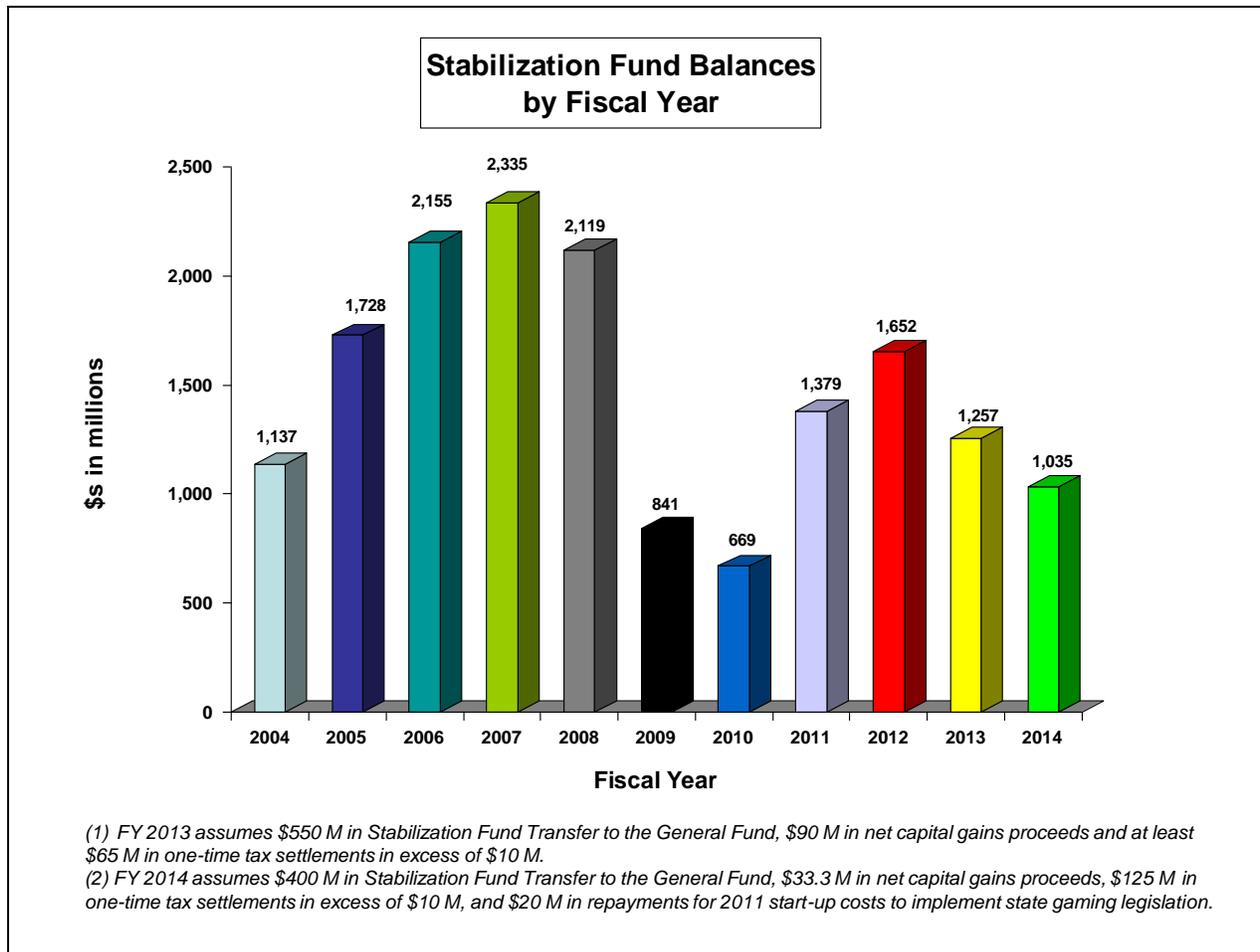
Assumed one-time resources in FY 2014 include:

- \$400 M in Stabilization Fund or “rainy day fund” resources (a discussion of the rainy day fund follows in a later section). The rainy day fund draw is \$150 M less than the current FY 2013 budgeted assumption of \$550 M, and is projected to leave a balance of \$1.035 B in the fund at the close of FY 2014.
- \$41 M (net) in reduced state budgetary resources resulting from the restructuring of state funding for payments to state hospitals for the delivery system transformation initiatives. This shift allows the state to achieve one-time savings by shifting one of two annual payments from FY 2014 to FY 2015 without impacting state hospitals, which operate on a different fiscal year schedule.
- \$32 M from supporting ongoing FY 2014 budgetary costs with one-time gaming licensing revenues in accordance with the gaming law (a further discussion of gaming licensing revenues is provided below). Total budgeted gaming licensing revenues equal \$83 M in FY 2014; however, the bulk of these expenditures are for one-time or short-term projects or purposes.
- \$32 M from the sale of certain state assets and properties. An outside section is included within concurrent budget legislation filed by the Governor authorizing the utilization of the proceeds of specific properties for the FY 2014 budget.
- \$40 M from the transfer of surplus non-budgetary fund resources to the General Fund. An outside section is included within the Governor’s FY 2014 House 1 budget that authorizes the Secretary of Administration and Finance to close or sweep trust funds where he determines that such funds can be appropriately used to support the budget.
- \$10 M (net) from shifting costs in FY 2014 to off-budget funds supported with one-time gaming licensing revenue. An outside section is provided in the Governor’s House 1 recommendation authorizing that up to \$20 M in provider incentive payments under the state’s Health Care Reform Act of 2012 shall be made from the Health Care Payment Reform Fund, which will receive a projected \$40 M from one-time gaming licensing revenue in FY 2014.

In total, the House 1 recommendation for FY 2014 relies on \$364 M less in one-time resources than those budgeted for FY 2013. This amount, \$550 M, is within the sustainable amounts projected within the Executive Office for Administration and Finance’s published long-term fiscal policy framework

published originally in early 2012 and updated this month coinciding with the release of the FY 2014 budget.

**Stabilization Fund**



The table provided above shows the year-end Stabilization Fund balances over the period FY 2004-14. The projected balances for Fiscal Years 2013 and 2014 are shown. Currently, FY 2013 is assumed to close the year with \$1.257 B in Stabilization Fund proceeds. This assumes a \$550 M budgeted draw to the General Fund, which is partially offset by a net \$90 M deposit of estimated capital gains revenues and at least \$65 M in deposits of one-time tax and other settlements in excess of \$10 M. Please note that the total amount of capital gains revenue restricted from being used for budgetary purposes equals \$100M: 90 percent of this amount is dedicated to the Stabilization Fund, while 5 percent each is allocated to reducing the state’s pension and retiree health care liabilities.

In FY 2014, the projected Stabilization Fund balance totals \$1.035 B. This reflects the assumed \$400 M in proposed draws to the General Fund, partially offset by \$33 M in capital gains-receipts deposited into the Fund, an estimated \$125 M in one-time tax and other settlements in excess of \$10 M deposited into the Fund, and the \$20 M repayment from gaming licensing revenues associated with the 2011 Expanded Gaming Act provision that used \$20 M of Stabilization Fund proceeds to fund the start-up costs for gaming oversight activities. The FY 2014 assumption of \$125 M in one-time tax and other settlements in excess of \$ 10 M, which must be deposited into the Stabilization Fund under a FY 2012

reform, is based on historical collections over the past six years in which the state averaged over \$175 M annually in tax settlements in excess of \$10 M.

The projected year-end balance at the close of FY 2014 will leave Massachusetts one of a handful of states with balances in excess of \$1 B. It also reflects the continued effort of the Governor and Legislature to adopt fiscal policies that responsibly limit the use of volatile or unsustainable resources (such as capital gains receipts or large tax settlements) from general budgetary purposes. The Stabilization Fund has proven to be a critical tool over the past several fiscal years to help mitigate some of the impact of reduced tax collections resulting from the 2008-09 economic recession. It is important to continue policies that support a sufficient fund balance and ensure resources are available for the future as state continues to recover from an unprecedented fiscal collapse.

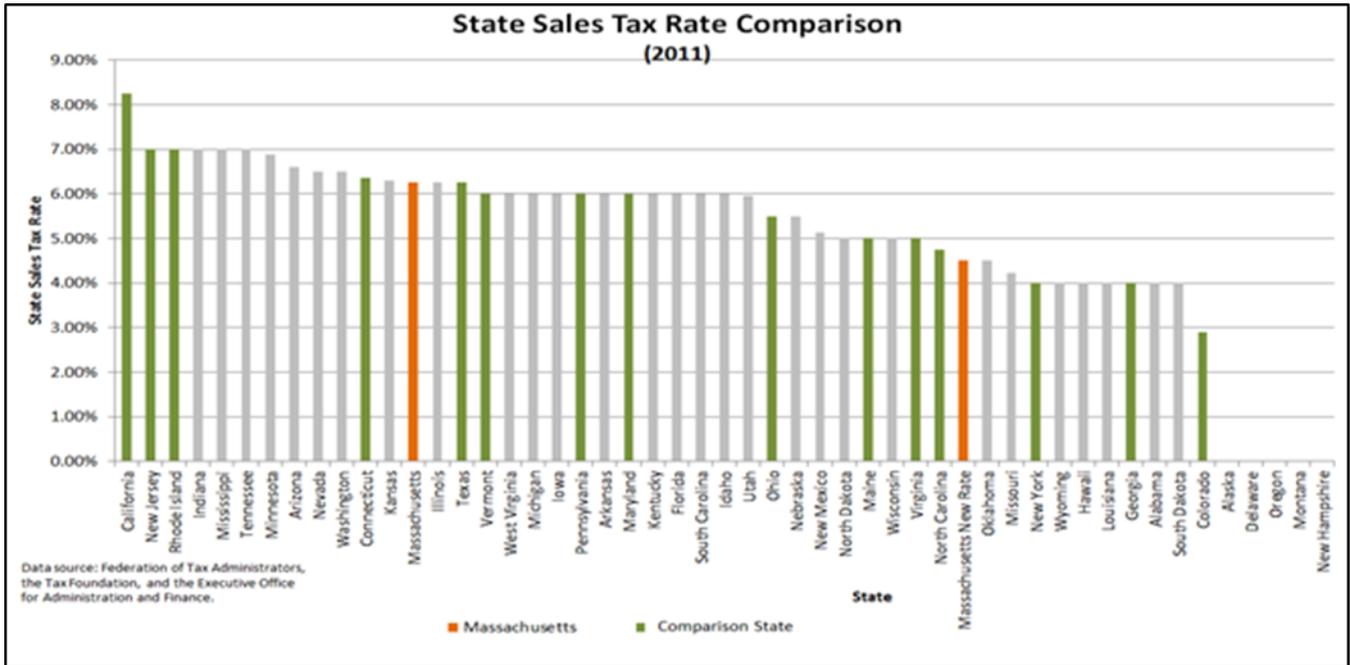
### **FY 2014 New Tax Revenues**

The Patrick-Murray Administration proposes the following reforms to our tax system to raise \$1.9 B on an annual basis:

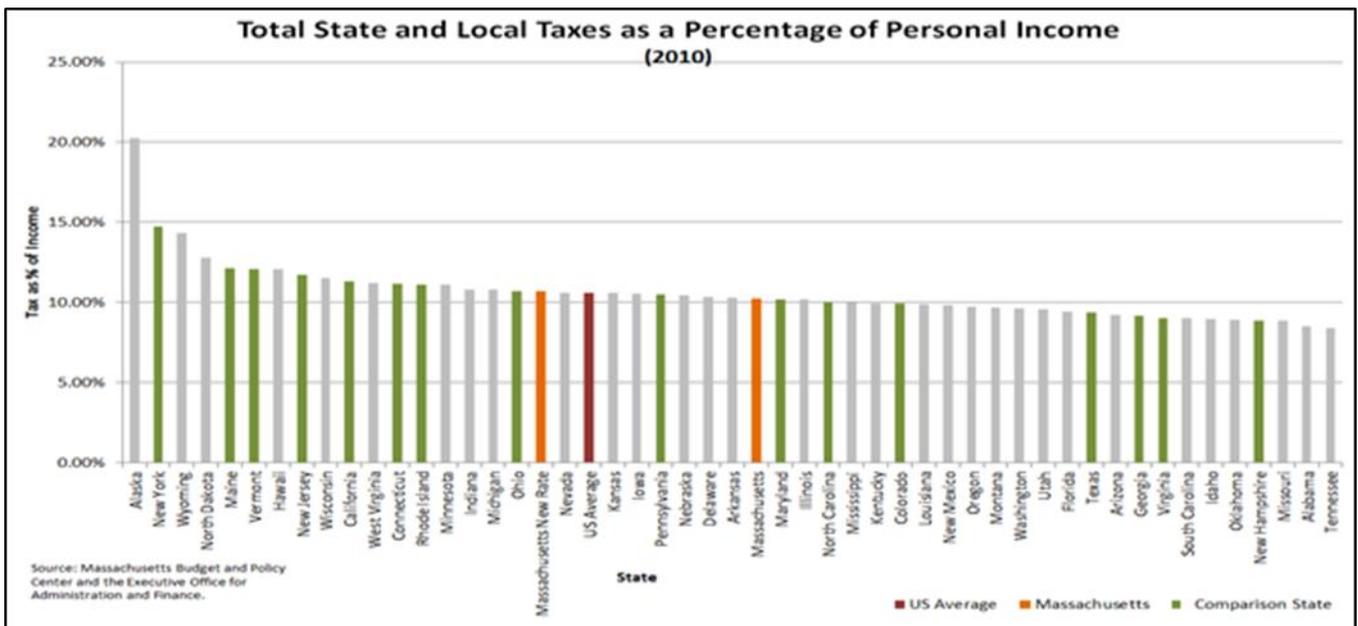
1. Reducing the sales tax from 6.25 percent to 4.5 percent and dedicating all proceeds to a fund for public works to support transportation, the school building fund, and other infrastructure.
2. Increasing the income tax rate by 1 percentage point to 6.25 percent.
3. Doubling the personal exemptions.
4. Eliminating some complicated tax deductions that benefit select taxpayers.

## Economic Competitiveness

The chart below compares the Massachusetts sales tax rate, current and proposed, to that of other states. Our proposed rate reduction would bring Massachusetts from nearly the top to close to the bottom of state sales tax rates, a tax that is widely regarded to be the most regressive tax that states impose. In Massachusetts, there are no such locally-imposed sales taxes.



This proposal keeps Massachusetts competitive by ensuring that our total state and local effective tax rate as a percentage of personal income remains in the middle of the pack relative to our neighbor and competitor states, as shown below.



The Patrick-Murray Administration’s tax reform proposal will raise \$1.9 B on an annual basis. In FY 2014, it is expected to increase revenues by \$779 M as a result of the fact that the tax law changes would take effect in the middle of the fiscal year. In addition, the Governor’s proposal calls for indexing the state’s motor fuel tax to inflation, which will generate an additional \$13 M in new budgetary revenues in FY 2014. The total projected new tax revenue in FY 2014 for budgetary purposes equals \$791 M.

### FY 2014 Revenue Anticipation Notes

In order to meet our existing and new investments in transportation, education, and innovation that ramp up over time, the Governor is proposing to allocate the new tax revenues among those purposes in the manner shown below. This funding plan assumes that \$400 M of the anticipated new tax revenue in FY 2015 and FY 2016 is borrowed to support investments in FY 2014, when the full-year revenue impact of the tax law changes will not be realized.

<b>Uses of New Tax Revenue by Fiscal Year (\$Ms- Before Inflation)</b>						
	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY23</b>
<b>New Revenue</b>	779	1,900	1,900	1,900	1,900	1,900
<b>Investments</b>						
Transportation	231	600	700	755	755	755
Education	912	975	975	1,020	1,020	1,020
Innovation*	36	50	100	125	125	125
<b>Total New Spending</b>	<b>1,179</b>	<b>1,625</b>	<b>1,775</b>	<b>1,900</b>	<b>1,900</b>	<b>1,900</b>
*Includes \$25M for life sciences						
<b>(Issue)/Repay Revenue Note</b>	<b>400</b>	<b>(275)</b>	<b>(125)</b>			
Note: Transportation need before other solutions	650	746	909	856	1,021	1,291

### FY 2014 Gaming Licensing Revenues

The Governor’s FY 2014 House 1 recommendation assumes an \$83 M in budgetary revenues associated with the licensing of 3 gaming facilities (2 “Category 1” Licensees and 1 “Category 2” Licensee). Of this amount, just short of \$32 M will be used to support on-going budgetary expenses and has therefore been listed among the \$555 M in projected FY 2014 one-time resources for next year.

Under the current published calendar of the Massachusetts Gaming Commission (MGC) two Category 1 licenses and one Category 2 license will be awarded by June 30, 2014, making them available to support state programs and services in FY14. The minimum Category 1 license fee is \$85 M, and a Category 2 license fee totals at least \$25 M, generating at least \$195 M in gaming licensing revenues in FY 2014. Under the existing laws (Chapter 194 of 2011) the first \$20 M of any gaming licensing must repay the Stabilization Fund for the “start-up costs” for the MGC. This leaves \$175 M in licensing revenues to be distributed via the prescribed allocation under Section 93 of Chapter 194. Of this amount, \$83 M is projected to be available for state budgetary purposes.

<b>Projected FY 2014 Gaming Licensing Receipts and Distributions</b>	
<b>\$s in millions</b>	
Estimated Gaming Licensing Receipts:	195.0
Less \$20 M for Repay Rainy Day Fund:	(20.0)
<b>Budgetary Fund Distributions:</b>	
Tourism Fund (1.5%)	2.7
Local Aid Stabilization Fund (5%)	8.8
Manufacturing Fund (13%)	22.8
Community College Fund (17%)	29.8
Local Capital Projects Fund (11%)	19.3
<b>Non-Budgetary Fund Distributions:</b>	
Health Care Payment Reform Fund (23%)	40.3
Transportation and Infrastructure Development Fund (14.5%)	25.4
Community Mitigation Fund (10%)	17.5
Race Horse Development Fund (5%)	8.8
<b>Total Distributions After Stabilization Fund Repayment:</b>	<b>175.0</b>

The table above outlines the projected FY 2014 licensing revenues and distributions, per Chapter 194. It is important to note that Health Care Payment Reform Fund originally was required to be a budgetary fund (or subject to annual appropriation). However, the Governor has filed subsequent legislation to amend this requirement to clarify that the spending from the fund is not subject to annual appropriation but will be instead under the authority of the Health Policy Commission established in the 2012 Health Care Reform Act (Chapter 224). This proposal is reflected within the Governor’s House 1 recommendation.

**FY 2014 Employer Responsibility Contribution**

The transition of the Massachusetts health care system under ACA provided the Governor with the opportunity to reduce costs for businesses through the elimination of both the Fair Share Contribution and the Medical Security Program. The Fair Share Contribution was established under the Commonwealth’s 2006 health care reform law and mandates that employers with 11 or more full-time equivalent employees (FTEs) make a “fair and reasonable” contribution toward the health care costs of their full-time workers, or pay a \$295 per FTE assessment. The ACA includes a similar policy for employers with over 50 employees, effective in 2014, that could result in double-penalties if the two policies were to coexist. The Commonwealth will discontinue the Fair Share Contribution policy, but employers continue to share in the responsibility for health reform in Massachusetts. In order to ensure employers are contributing their share of maintaining quality, affordable health care for all residents, the legislation creates an “employer responsibility contribution” for employers which will, starting in 2014, help finance the cost of subsidized care for low-income state residents. The funding, estimated to total \$94 M in FY 2014, will be directed to the MassHealth and the subsidized plans offered under the Health Connector.

**Modernize Bottle Redemption in FY 2014**

The Massachusetts Bottle Bill, enacted in 1982, is designed to encourage consumers to return their empty soda and beer containers by means of a redeemable \$0.05 deposit. The \$0.05 refundable deposit is placed on all carbonated sodas, beer and malt beverages. Most bottle deposits are redeemed through two types of sites, redemption centers and large retail stores. When the Bottle Bill

was enacted in 1982, the beverages covered by the law were limited to carbonated soft drinks, mineral water, beer and other malt beverages. Since that time, the beverage market has changed with bottled water, fruit drinks, iced tea and sports drinks now being some of the most popular choices available. However, these non-carbonated beverages are not covered by the Bottle Bill and often end up in landfills or along the side of the road.

By revising the definition of “beverages” in Massachusetts General Law, the Bottle Bill can be brought up to date. Consumers will be required to pay an additional \$0.05 cents on water, flavored waters, iced teas, coffee based drinks and sports drinks. The amounts paid for deposits for expanded beverages will be returned to consumers if they return the empty bottles for recycling. The Governor’s FY 2014 budget assumes that by adopting these changes, the state will collect at least \$24 M in additional revenues next year, allowing for \$4 M in investments in state recycling coordination and redemption efforts.

### **Enhanced Tax Enforcement**

The Department of Revenue (DOR) will generate an estimated \$27 M in additional state tax revenue in FY 2014 through its investments in software and processes that will perform advanced analytics to identify tax collection and audit opportunities involving the sophisticated use of historical data, data mining, and statistical probability. In addition, the Department is launching a new statutory audit process to conduct more meaningful audits of businesses organized in pass-through structures.

### **FY 2014 Amazon Agreement and Expansion of Hotel Tax to Rental Properties**

On December 11, 2012 the Commissioner of DOR announced an agreement with the online retailer, Amazon.com, for it to begin collecting Massachusetts sales tax on purchases by state residents by next November. The Executive Office for Administration and Finance estimates that total resulting increased tax collections, including under the projected sales tax changes outlined above, will equal \$26.2 M, roughly \$4 M of which will be transferred to the Massachusetts School Building Authority.

Currently, properties such as rental vacation homes, corporate executive temporary apartments, time shares, and rented vacation condominiums are not subject to the state or local hotel/motel room occupancy excise. Concurrent with the budget, the Governor filed legislation that would expand the state and local option tax base to include these so-called transient accommodations and eliminate the existing statutory exemption for small bed and breakfast establishments with three bedrooms or less. This expansion of the existing room occupancy excise base could generate more than \$3.8 M annually for the 176 municipalities (50 percent) that have opted to enact the local option room occupancy excise to date, and will benefit municipalities that choose to adopt the local option room occupancy excise in the future. State revenues would increase by an estimated \$2.6 M in FY 2014 as a result of this change.

### **FY 2014 Spending Summary**

#### **FY 2014 Spending Growth**

The Governor’s FY 2014 budget is balanced and fiscally responsible. Total state FY 2014 spending is projected to be \$34.825 B (or \$36.455 B after including the annual pension contribution), a 6.93% increase from FY 2013 estimated spending.

State Budgetary Spending FYs 2003-2014 \$s in millions		
FY	Amount	% Growth
2003	21,936	n/a
2004	22,146	0.96%
2005	22,562	1.88%
2006	24,310	7.75%
2007	27,588	13.48%
2008	29,410	6.60%
2009	29,292	-0.40%
2010	29,047	-0.84%
2011	30,636	5.47%
2012	30,976	1.11%
2013	32,568	5.14%
2014	34,825	6.93%

In the fiscal years following the fiscal downturn of 2008-09 (which began in state FY 2009) total state spending growth has averaged 2.90 percent annual growth through FY 2014. This compares to 6.13 percent in average annual growth in the 5 years preceding FY 2009.

FY 2013 Estimated Spending vs. FY 2014 House 1 Recommendation (\$s)				
Spending Category	FY 2013 Estimated Spending	FY 2014 House 1	Annual Change	Percent Change
Judiciary	777,777,825	808,468,103	30,690,277	3.9%
District Attorneys	101,329,973	103,160,535	1,830,561	1.8%
Sheriffs	512,994,922	522,315,138	9,320,216	1.8%
Other Constitutional Offices	192,042,911	188,996,140	(3,046,771)	-1.6%
Lottery Division	89,113,321	90,892,716	1,779,395	2.0%
Debt Service	2,368,477,959	2,429,552,869	61,074,910	2.6%
Comptroller	60,942,945	58,543,692	(2,399,253)	-3.9%
Legislature	66,184,475	65,374,164	(810,311)	-1.2%
Administration and Finance	337,271,223	316,745,683	(20,525,540)	-6.1%
Group Insurance Commission	1,298,847,997	1,362,226,112	63,378,115	4.9%
Energy and Environmental Affairs	203,037,066	224,010,561	20,973,495	10.3%
Health and Human Services	4,917,578,099	5,120,637,514	203,059,415	4.1%
MassHealth	10,859,431,334	12,277,879,935	1,418,448,601	13.1%
Housing and Economic Development	470,602,829	458,695,973	(11,906,856)	-2.5%
Labor and Workforce Development	41,341,324	44,071,217	2,729,893	6.6%
Higher Education Campuses	857,463,222	930,673,973	73,210,751	8.5%
Executive Office of Education	1,169,147,840	1,463,022,636	293,874,796	25.1%
K-12 Aid (Chapter 70)	4,173,783,011	4,397,257,332	223,474,321	5.4%
Local Aid	916,760,490	956,760,490	40,000,000	4.4%
Public Safety	969,837,771	1,007,278,097	37,440,326	3.9%
Health Connector Authority	661,249,148	470,637,393	(190,611,755)	-28.8%
Transfers for Payments to Hospitals and Providers	751,914,223	485,449,470	(266,464,753)	-35.4%
Other Transfers to Non-Budgetary Funds	6,500,000	2,625,000	(3,875,000)	-59.6%
State Retiree Health Care	415,042,237	425,044,755	10,002,518	2.4%
Life Sciences Innovation Investments	-	25,000,000	25,000,000	n/a
Transportation	348,912,182	589,673,153	240,760,971	69.0%
<b>Total Appropriated Spending</b>	<b>32,567,584,328</b>	<b>34,824,992,653</b>	<b>2,257,408,325</b>	<b>6.9%</b>
State Pension Contribution	1,552,000,000	1,630,000,000	78,000,000	5.0%
<b>Total Spending Including Pensions</b>	<b>34,119,584,328</b>	<b>36,454,992,653</b>	<b>2,335,408,325</b>	<b>6.8%</b>

Listed in the table above is a summary of the major spending categories of the state budget with FY 2013 estimated spending and FY 2014 House 1 recommended funding levels, as well as dollar and percent changes year-on-year. Description of major highlights and policy changes is provided below.

## Non-Executive Branch Agencies

FY 2013 Estimated Spending vs. FY 2014 House 1 Recommendation (\$s)				
Spending Category	FY 2013 Estimated Spending	FY 2014 House 1	Annual Change	Percent Change
Judiciary	777,777,825	808,468,103	30,690,277	3.9%
District Attorneys	101,329,973	103,160,535	1,830,561	1.8%
Sheriffs	512,994,922	522,315,138	9,320,216	1.8%
Other Constitutional Offices	192,042,911	188,996,140	(3,046,771)	-1.6%
Lottery Division	89,113,321	90,892,716	1,779,395	2.0%
Comptroller	60,942,945	58,543,692	(2,399,253)	-3.9%
Legislature	66,184,475	65,374,164	(810,311)	-1.2%
<b>Total Appropriated Spending</b>	<b>1,800,386,373</b>	<b>1,837,750,489</b>	<b>37,364,116</b>	<b>2.1%</b>

Agencies outside of the Executive branch include: the judicial agencies, such the Supreme Judicial Court, the Trial Courts, and the Committee for Public Counsel Services (CPCS); District Attorneys; State Sheriffs; Constitutional Officers; the Lottery Division; the State Comptroller and the Legislature, comprising of \$1.838 B of the FY 2014 budget recommendations. Some areas of note include –

- Judiciary** –The Governor’s FY 2014 budget recommends a 4 percent increase in funding for most judicial agencies. In addition, the Governor proposes to consolidate virtually all Trial Court appropriations helping the department to more flexibly shift operational resources. Since the economic downturn the Trial Court has seen a marked reduction in its total employee levels as it has needed to shed payroll in order to live at funding levels provided in the annual budget. The Governor filed concurrent legislation a proposal to form a commission, including members from within and outside of state government, to carefully review existing court operations for opportunities for efficiencies and realignment of resources. In addition, the FY 2014 budget funds the costs of CPCS as it completes its transition in FY 2013 to 25/75 percent public/private attorneys. Finally, the Governor’s budget restores aid to the Massachusetts Legal Assistance Corporation in FY 2014 to \$15.5 M.
- Sheriffs** – The Governor’s FY 2014 budget provides 2 percent increases for the main operating funding appropriations for state sheriffs’ offices. The Governor’s FY 2013 funding level assumes that supplemental funding will be provided for a number of sheriffs in FY 2013 to more closely align with sheriff facility costs needed for the full year. In addition, Governor Patrick has charged two of his new Secretaries, Andrea Cabral of the Executive Office of Public Safety and Security (EOPSS) and Glen Shor of the Executive Office for Administration and Finance (EOAF), to work with sheriffs to improve sheriffs’ outdated funding structure, identify savings from sentencing reform, determine ways to best use existing capacity to prevent overbuilding, and measure and improve re-entry outcomes for inmates. Secretary Cabral’s experience as the Suffolk County Sheriff for over ten years will be invaluable to this endeavor. The Secretaries will provide recommendations in July of 2013.
- District Attorneys** – Funding for District Attorneys’ main operational budgets funding is increased in FY 2014 by 2 percent from FY 2013 levels. This funding level sustains the 5% increase received by the DAs in FY 2013 as well as \$500 K that was provided in FY 2013 for retention of assistant district attorneys across the state.

- **Other Constitutional Officers** – With very limited exceptions, the funding for the main operational budgets of the Constitutional offices (Attorney General, Treasurer, Auditor, Secretary of the Commonwealth) has been funded at 2 percent above FY 2013 estimated spending levels. Decreased funding needs are projected for the Secretary of State projected to oversee elections, in comparison to FY 2013 which was a high-spend year given it included the recent presidential election. It is important to note that FY 2013 funding assumptions for the Secretary of State assume that funding for special elections (including US Senate) may be required in FY 2013 and into FY 2014. In addition, the Governor’s budget continues modest investments at the State Attorney General’s Office and the State Auditor’s Office for expanded activities to prevent, detect or prosecute cases of fraud, waste and abuse of state funds and to fund the Auditor’s responsibilities in implementing the 2012 Health Care Reform Act (Chapter 224).
- **Lottery** – The state’s Lottery Commission oversees the state’s various lottery and gaming operations. The Commission generates well over \$900 M in annual state budgetary revenue, of which a large portion is used to support unrestricted local aid distributions to the state’s cities and towns. Funding in fiscal year 2014 for Lottery operations is increased by 2 percent above estimated FY 2013 spending levels.
- **Governor** – Funding for the Governor’s office is increased by 2 percent from FY 2013 estimated spending levels.
- **Legislature** – The funding for the annual operations of the House, Senate and Joint Legislative activities in FY 2014 is increased by 2 percent from to estimated spending levels in FY 2013.

**Debt Service**

FY 2013 Estimated Spending vs. FY 2014 House 1 Recommendation (\$s)				
Spending Category	FY 2013 Estimated Spending	FY 2014 House 1	Annual Change	Percent Change
Debt Service	2,368,477,959	2,429,552,869	61,074,910	2.6%
<b>Total Appropriated Spending</b>	<b>2,368,477,959</b>	<b>2,429,552,869</b>	<b>61,074,910</b>	<b>2.6%</b>

In order to fund the necessary improvements to the state’s transportation infrastructure as well as to make investments in our higher education system, housing, high-tech industries, and other job-creating projects, the state borrows money through the issuance of bonds and pays the borrowing back with annual debt service appropriations in the operating budget.

State debt service spending in FY 2014 totals \$2.429 B, an increase of 2.6% from FY 2013 levels of \$2.368 B. Most debt service costs are funded from within the budget of the State Treasurer, who is responsible for the day-to-day oversight of all Commonwealth debt service and debt financing activities. In a limited number of cases, annual debt service payments are from appropriations within A&F. In collaborating with the Administration, the State Treasurer has been able to leverage the Commonwealth’s upgraded financial ratings, attractive borrowing environment and the state’s proactive fiscal management to help reduce annual state debt service costs below originally-budgeted amounts. This occurred again most recently in FY 2013 when \$55 M in debt service savings were identified to help support other budgetary shortfalls.

**Executive Branch Agencies**

FY 2013 Estimated Spending vs. FY 2014 House 1 Recommendation (\$s)				
Spending Category	FY 2013 Estimated Spending	FY 2014 House 1	Annual Change	Percent Change
Administration and Finance	337,271,223	316,745,683	(20,525,540)	-6.1%
Group Insurance Commission	1,298,847,997	1,362,226,112	63,378,115	4.9%
Energy and Environmental Affairs	203,037,066	224,010,561	20,973,495	10.3%
Health and Human Services	4,917,578,099	5,120,637,514	203,059,415	4.1%
MassHealth	10,859,431,334	12,277,879,935	1,418,448,601	13.1%
Housing and Economic Development	470,602,829	458,695,973	(11,906,856)	-2.5%
Labor and Workforce Development	41,341,324	44,071,217	2,729,893	6.6%
Higher Education Campuses	857,463,222	930,673,973	73,210,751	8.5%
Executive Office of Education	1,169,147,840	1,463,022,636	293,874,796	25.1%
K-12 Aid (Chapter 70)	4,173,783,011	4,397,257,332	223,474,321	5.4%
Local Aid	916,760,490	956,760,490	40,000,000	4.4%
Public Safety	969,837,771	1,007,278,097	37,440,326	3.9%
Health Connector Authority	661,249,148	470,637,393	(190,611,755)	-28.8%
Transfers for Payments to Hospitals and Providers	751,914,223	485,449,470	(266,464,753)	-35.4%
Other Transfers to Non-Budgetary Funds	6,500,000	2,625,000	(3,875,000)	-59.6%
State Retiree Health Care	415,042,237	425,044,755	10,002,518	2.4%
Life Sciences Innovation Investments	-	25,000,000	25,000,000	n/a
Transportation	348,912,182	589,673,153	240,760,971	69.0%
<b>Total Appropriated Spending</b>	<b>28,398,719,996</b>	<b>30,557,689,295</b>	<b>2,158,969,299</b>	<b>7.6%</b>

Direct funding for Executive Branch Agencies for programs and services or funding that falls within each of these government areas totals \$30.557 B in FY 2014, which represents an increase of 7.6% from FY 2013 spending. Highlights of major funding changes in the Executive Branch include:

- **Executive Office of Education (EOE)** – The budget recommendation for the Secretariat for Education (excluding Chapter 70 and aid to Higher Education campuses discussed below) increases by 25.1%, or \$293.9 M above FY 2013 estimated spending.

Providing access to high-quality early education programs is a vital component of addressing the achievement gap. This budget reflects a commitment to early education and care by making significant investments in access to and quality of child care programs for children served by the Department of Children and Families (DCF), the Department of Transitional Assistance (DTA), and for other qualified low income families. The significant new investments will provide:

- \$56.75 M to significantly increase access to high-quality early education programs and provide universal access by eliminating the wait list for qualified children from birth to age five by FY 2017;
- \$60.5 M to enhance the quality of early education programs and the effectiveness of the early educator workforce, including higher education grants for providers of the Department of Early Education and Care (EEC) programs;
- \$6.2 M to strengthen parent, family, and community engagement programs;
- \$5 M to expand comprehensive social and health services; and
- \$2.5 M to increase EEC capacity and develop partnerships to effectively implement initiatives and sustain them over time.

The Patrick-Murray Administration will dedicate \$11 M to support the expansion of locally-designed and implemented initiatives in the Gateway Cities, including:

- \$575 K for Early Literacy and Kindergarten Readiness Programs to establish pilot programs for Kindergarten Literacy Readiness;
- \$3.6 to create Student Support Councils and deploy Student Support Counselors to predominantly low-income schools;

- \$5 M for Enrichment and Acceleration Academies for English Language Learners to operate Summer English Learning Camps;
- \$1 M to create the Education and Industry Councils and Planning for High School Career Academies, to offer high school students, especially those most in need of academic and career support, the opportunity for early career exploration and experiential, job-embedded learning opportunities;
- \$1 M to create a Statewide Education Innovation Fund that will combine annual appropriations from the Commonwealth and supplemental funds from business, nonprofits, and philanthropists to promote innovation in policy, practice, research, professional development, and capacity-building efforts.

Finally, the Governor's proposal includes \$115 M in FY 2014 to make college more affordable and accessible, particularly for lower- and middle-income students by:

- Significantly increasing funding by \$112 M to the MASSGrant program, which provides financial assistance for students demonstrating the greatest need.
- Expanding the Completion Incentive Grant Fund (\$3 M) which allows students enrolled at certain campuses to receive a maximum of \$8,000 over four years for credits earned towards their degree.
- **Executive Office of Health and Human Services (EOHHS)** – The non-health insurance portion of the EOHHS budget totals \$5.1 B in FY 2014. Funding under EOHHS supports a wide range of services, including transitional assistance to families, services to persons with disabilities, care for veterans, public health and disease prevention activities, protection of children at risk of abuse or neglect and care for youthful offenders. Recognizing the importance of maintaining critical safety net programs and services, the Governor's budget preserves funding within EOHHS for programs and services that affect the state's most vulnerable residents. Projected caseload needs for critical safety net programs are fully supported at FY 2013 levels in FY 2014 including substance abuse services, cash and nutritional assistance for low income families, early health screenings for children, suicide prevention services and domestic violence prevention treatment.

The Governor's budget also provides \$10 M in funding for Safe and Successful Youth Initiative grants, which provide assistance to cities for targeted intervention programs with high impact youth and their families providing education, job, trauma and street outreach program services. The Administration is investing \$1.28 M annually to expand the network of Family Access Centers (FACs) statewide, improving family access and ensuring that there is no wrong door for any family in need. Long-term savings may be achieved through shared services, reducing duplication, and evaluating possible co-location for existing service centers. Each FAC operates programs reflecting the culture and needs of its community, but all have a core set of services, including connection to community and state services, educational programs, and peer support. In addition, the Governor's budget funds continued implementation of cost increases associated with the Chapter 257 reforms that require updates to human services contracts with respect to the actual costs of providing services under a variety of programs. Across all EOHHS agencies, the FY 2014 additional costs of implementing Chapter 257 totals \$120 M. These costs reflect rate increases that will be phased in over different parts of year depending on when regulatory changes for each service type are promulgated. Finally, in FY2014, the Governor's budget recommends a funding increase for mental health services of \$22.5 M (3.3%) over the previous year, including a 15% increase in funding for child and adolescent behavioral health services.

- **Executive Office of Public Safety and Security (EOPSS)** –The Governor's FY 2014 budget funds projected cost increases by state agencies that provide an array of public safety services

to the state's residents, including but not limited to highway patrols and policing, corrections and inmate re-entry services. The State Police will graduate roughly 150 new officers from a cadet class that begins in June 2013, and the State Police Crime Lab will expand its Central Massachusetts operations, having now taken over the duties of the Department of Public Health Drug Lab.

- **Massachusetts Department of Transportation (MassDOT)** – In addition to the Patrick-Murray Administration's \$13 B capital investment over 10 years in transportation projects in the Commonwealth, a \$269 M increase is included in the Governor's FY 2014 budget recommendations (\$240 M of which is supported with state budgetary resources, including motor fuel taxes), which begin to fund the transportation needs highlighted in the "The Way Forward: A 21-st Century Transportation Plan". In FY 2014, this investment will:
  - Eliminate the MBTA's structural operating deficit, which has been solved in recent years through the use of one-time, unsustainable funding sources;
  - Provide modest MBTA service enhancements such as expanding evening hours, restoring weekend service in areas that have been cut and improved customer service;
  - Take a significant step forward in discontinuing the decades-old practice of using borrowed funds (bonds) to pay for personnel and other operating costs; and
  - Sustainably fund Regional Transit Authorities (RTAs) by ending the practice of funding the RTA operating budgets in arrears, thereby eliminating the need for the RTAs to take on short-term debt in order to fund annual operating costs which, in turn, increases costs to the taxpayers and customers.
- **Executive Office of Energy and Environmental Affairs (EOEEA)** – FY 2014 funding for EOEEA is approximately 10.3 % above FY 2013 estimated spending. This reflects a \$4 M investment for increased efforts to promote recycling coordination across the state, which is funded through increased revenues generated by expanding the bottle deposits to include bottled water, juices and sports drinks. The Governor also proposes a \$2.5 M increase in permitting and compliance services at the Department of Environmental Protection to reflect the increasing cost of providing critical environmental oversight at the speed of business.
- **Executive Office of Housing and Economic Development (EOHED)** – FY 2014 funding for EOHED is approximately \$12 M less than FY 2013 estimated spending, reflecting a decrease in projected spending on emergency services for homeless families in the Commonwealth. The Governor's budget does propose to use \$20 M in surplus resources in FY 2013 to capitalize a new Housing Stabilization and Preservation Fund, which would become a flexible funding source under the Department of Housing and Community Development (DHCD) to craft affordable housing strategies to the specific needs of DHCD clients in the most efficient and effective way possible. This new trust fund spending will offset the reduction in emergency services spending but will occur within programs focused on permanent housing solutions.
- **Executive Office of Labor and Workforce Development (EOLWD)** – Compared to the FY 2013 estimated spending, funding at EOLWD is increased by 6.6 percent in FY 2014. This corresponds to increased investments proposed by the Governor for the Summer Jobs program, which subsidizes employment opportunities for low-income youth primarily during the summer. The Governor's budget will fund summer jobs opportunities at \$10 M.
- **Executive Office for Administration and Finance (A&F)** – Annual funding levels under A&F can vary greatly from year-to-year since A&F typically houses reserve or other short-term appropriations that are not continued from year-to-year. In FY 2014 \$7.5 M in additional funding is provided to fund a sinking fund to support the first-in-the-nation pay for performance social innovation funding initiatives. This will help support two initiatives that target lowering state costs

while improving outcomes for youth offenders and unaccompanied adults who face chronic homelessness.

**School Aid for Public K-12 Education (Chapter 70)**

FY 2013 Estimated Spending vs. FY 2014 House 1 Recommendation (\$s)				
Spending Category	FY 2013 Estimated Spending	FY 2014 House 1	Annual Change	Percent Change
K-12 Aid (Chapter 70)	4,173,783,011	4,397,257,332	223,474,321	5.4%
<b>Total Appropriated Spending</b>	<b>4,173,783,011</b>	<b>4,397,257,332</b>	<b>223,474,321</b>	<b>5.4%</b>

Chapter 70 funding is the primary method by which the state finances local K-12 public education. An increase of \$223 M in Chapter 70 funding will bring this vital support for communities to an unprecedented \$4.39 B. This represents a \$677 M (18 percent) increase in Chapter 70 funding from pre-recession levels.

This investment will finalize implementation of the 2007 Chapter 70 reforms while ensuring that all school districts receive increased funding of at least \$25 per pupil. The FY 2014 budget will fully fund all schools at foundation levels, and also begin to factor increased special education and pre-kindergarten costs into the calculation of the foundation budget. This allocation of funds to Chapter 70 will increase equity and access among all school districts and is intended to allow local educational authorities the flexibility to fund initiatives most needed in their communities. By providing flexibility at the local level, the FY 2014 budget allows schools to prioritize funding where it is needed most, whether in special education, MCAS support, literacy programming, or other programs.

**Aid to Higher Education Campuses**

FY 2013 Estimated Spending vs. FY 2014 House 1 Recommendation (\$s)				
Spending Category	FY 2013 Estimated Spending	FY 2014 House 1	Annual Change	Percent Change
Higher Education Campuses	857,463,222	930,673,973	73,210,751	8.5%
<b>Total Appropriated Spending</b>	<b>857,463,222</b>	<b>930,673,973</b>	<b>73,210,751</b>	<b>8.5%</b>

The FY 2014 budget increases state support to the University of Massachusetts, the state universities, and community colleges. This collaboration between the Administration and the campuses creates a shared sense of responsibility to provide high-quality services to all students while maintaining affordability. This increased funding, a total of \$57.5 M in FY 2014 and reaching \$240 M by FY 2017, will allow the campuses to maintain their delivery of educational and other services without requiring unaffordable increases to tuition and student fees. After including additional increases for collective bargaining costs increases, total campuses funding increases by \$73.2 M in FY 2014 from previous year's levels.

**MassHealth (Medicaid) Spending**

FY 2013 Estimated Spending vs. FY 2014 House 1 Recommendation (\$s)				
Spending Category	FY 2013 Estimated Spending	FY 2014 House 1	Annual Change	Percent Change
MassHealth	10,859,431,334	12,277,879,935	1,418,448,601	13.1%
<b>Total Appropriated Spending</b>	<b>10,859,431,334</b>	<b>12,277,879,935</b>	<b>1,418,448,601</b>	<b>13.1%</b>

The Massachusetts Medicaid program (MassHealth) provides comprehensive health insurance to approximately 1.38 million low-income Massachusetts children, adults, seniors and people with disabilities. This figure does not include the new MassHealth Expansion populations; with the Expansion population and projected growth in the base population, total MassHealth enrollment will be approximately 1.6 million. Many of these new MassHealth enrollees are not new to subsidized coverage but are currently enrolled in Commonwealth Care or the Medical Security Program.

Overall, MassHealth's FY 2014 funding level of \$12.3 B represents a 13.1 percent increase over FY 2013. Most of this increase, however, is driven by the ACA Expansion populations and coverage preservation under ACA (4.2 percent of increase), operational and hospital investments and dental benefit restoration (0.8 percent of increase), enrollment increases for currently-eligible members of 40,000 member months (2.6 percent of increase) and FY 2013 cash management strategies (2.9 percent of increase). When the annual growth rate is adjusted for these unavoidable costs, the resulting growth rate is 2.5 percent, which is lower than the state's health care cost growth benchmark. In addition, there will be 105,000 members leaving the Health Connector and moving into MassHealth which will result in decreased spending at the Health Connector of \$257 M gross/\$128.5 M net over the 6-month period in FY 2014.

The Commonwealth has made significant investments in MassHealth in recent years and will continue to do so in FY 2014 in order to promote program innovation and lay the ground work for larger savings.

The Administration proposes policies that aim to maintain coverage for current populations who otherwise could be adversely affected by ACA implementation, and that support streamlining current programs to promote alignment, access and administrative simplification in a post-ACA coverage environment at minimal cost to the Commonwealth. These proposals include:

- Considering the use of Modified Adjusted Gross Income (MAGI) instead of gross income to determine eligibility for adults with disabilities, consistent with the methodology used for non-disabled adults. This may protect individuals with disabilities from having more stringent MassHealth income eligibility standards than non-disabled individuals. (\$5.9 M cost; \$3 M revenue);
- Continuing to provide health insurance coverage at full state cost to Aliens with Special Status (AWSS) who are ineligible for largely federally-funded participation in the state Exchange; this is a small number individuals, as most AWSS are newly eligible for federal assistance through the Exchange (\$5.9 M cost; \$0 revenue);
- Extending MassHealth coverage to the end of the month for members transitioning to Health Connector coverage, which begins on the first of the month, in order to prevent gaps in coverage (\$7 M cost; \$3.9 M revenue);
- Maintaining current waiver programs to cover individuals with breast or cervical cancer up to 250 percent of the federal Poverty Level (FPL) and individuals with HIV up to 200 percent FPL (no budget impact in FY 2014); and
- Providing a MassHealth Standard level of benefits for all pregnant women up to 200 percent FPL (\$5.2 M cost; \$4.5 M revenue).

## **Group Insurance Commission**

<b>FY 2013 Estimated Spending vs. FY 2014 House 1 Recommendation (\$s)</b>				
<b>Spending Category</b>	<b>FY 2013 Estimated Spending</b>	<b>FY 2014 House 1</b>	<b>Annual Change</b>	<b>Percent Change</b>
Group Insurance Commission	1,298,847,997	1,362,226,112	63,378,115	4.9%
State Retiree Health Care	415,042,237	425,044,755	10,002,518	2.4%
<b>Total Appropriated Spending</b>	<b>1,713,890,234</b>	<b>1,787,270,867</b>	<b>73,380,633</b>	<b>4.3%</b>

The Group Insurance Commission (GIC) provides high value health insurance and other benefits to Commonwealth and certain public authorities' employees and retirees as well as their survivors and dependents. The GIC also provides health-only benefits to participating municipalities' employees and retirees and their survivors and dependents.

In FY 2013, the Group Insurance Commission (GIC) has focused on providing high quality health insurance coverage to its members while containing costs for the Commonwealth. The GIC embarked on a major procurement of its health plans, utilizing innovative strategies to maintain coverage and quality of care while containing costs. To pursue this in a creative and thoughtful manner, the GIC devotes significant internal resources to successfully incentivize health plans to reduce costs over the long term. This includes implementing the principles of payment reform and incorporating changes resulting from national health care reform.

The GIC continues to work closely with its health plans to minimize rate increases. The Commission held rate increases in FY 2013 to 1.4 percent and initiated a procurement that is estimated to save the Commonwealth \$1.29 B through FY 2018. The GIC will accomplish this by reducing the average annual growth in spending from 6 percent to 2 percent in FY 2014, saving over \$65 M and holding growth at or below 2 percent thereafter.

**Health Connector Authority**

<b>FY 2013 Estimated Spending vs. FY 2014 House 1 Recommendation (\$s)</b>				
<b>Spending Category</b>	<b>FY 2013 Estimated Spending</b>	<b>FY 2014 House 1</b>	<b>Annual Change</b>	<b>Percent Change</b>
Health Connector Authority	661,249,148	470,637,393	(190,611,755)	-28.8%
<b>Total Appropriated Spending</b>	<b>661,249,148</b>	<b>470,637,393</b>	<b>(190,611,755)</b>	<b>-28.8%</b>

The year-on-year reduction in the budgetary contributions to the Health Connector Authority reflects the FY 2014 implementation of the federal Affordable Care Act (ACA).

Under the ACA, the Health Connector will administer the Commonwealth's health insurance Exchange. The Exchange will allow individuals and businesses to shop for health insurance coverage. The State Wrap, beginning January 1, 2014, will supplement federal subsidies available in the Exchange by providing premium assistance to individuals with incomes 133 percent to 300 percent FPL, as well as certain Aliens with Special Status (AWSS) with incomes 0 percent to 300 percent FPL who are ineligible for MassHealth. These combined federal and state subsidies are intended to make subsidized coverage for this population as affordable for them as it is today under Commonwealth Care. An estimated 150,031 members are expected to enroll from Commonwealth Care, MassHealth, MSP, and HSN. The cost of the State Wrap in the second half of FY2014 is estimated at \$118.5 M. The cost of the current Commonwealth Care program in the first half of FY 2014 is \$430 M.

The Centers for Medicare and Medicaid Services (CMS) has indicated that a 50 percent federal match will be available in FY 2014 for premium assistance payments for State Wrap members, with the exclusion of AWSS, making available an additional \$21 M in available revenue. This revenue, combined with the enhanced federal financial participation (FFP) available through the ACA, will enable

the restoration of full adult dental coverage for MassHealth members and for individuals with incomes below 133 percent FPL who are enrolled in the Health Connector with the State Wrap.

The Health Connector was recently one of the first six state exchange programs in the nation to be certified conditionally as a state-based health insurance exchange on the path to operating in compliance with the Affordable Care Act. The Health Connector will kick off its annual Seal of Approval process in early 2013 for coverage that will be available to individuals and small businesses starting January 1, 2014. This year's Seal of Approval is a major milestone for the Health Connector, as it will enhance its products and services to comply with the ACA and better serve small employers and individuals.

## Unrestricted General Government Aid

FY 2013 Estimated Spending vs. FY 2014 House 1 Recommendation (\$s)				
Spending Category	FY 2013 Estimated Spending	FY 2014 House 1	Annual Change	Percent Change
Local Aid	916,760,490	956,760,490	40,000,000	4.4%
<b>Total Appropriated Spending</b>	<b>916,760,490</b>	<b>956,760,490</b>	<b>40,000,000</b>	<b>4.4%</b>

Unrestricted General Government Aid (UGGA) and state payments in lieu of taxes (PILOT) aid make up unrestricted local government aid. In FY 2014 UGGA will be funded at \$899 M, the same amount and same distribution provided for in the FY 2013 GAA (Current FY 2013 spending assumptions reflect the 1 percent reduction in local aid this year proposed in the Governor's December 4 Fiscal Action Plan). PILOT aid is level funded in FY 2014 at \$26.3 M.

An additional \$31 M in local aid will be distributed to all municipalities through the new "Annual Formula Local Aid" program. The existing allocation of local aid among the Commonwealth's cities and towns (UGGA) is meant to maintain year-to-year consistency regardless of changes in a municipality's circumstances and is no longer based on a rational funding formula. Annual Formula Local Aid addresses these critical aspects of a rational local aid program:

- Provides a simple and transparent formula using a combined measure of property values and income to calculate each municipality's relative ability to provide essential local services; and
- Will consistently provide equitable distributions into the future, as each year the formula components will be updated and the total distribution of aid will be calculated using the updated components.

## Other Budgetary Transfers

FY 2013 Estimated Spending vs. FY 2014 House 1 Recommendation (\$s)				
Spending Category	FY 2013 Estimated Spending	FY 2014 House 1	Annual Change	Percent Change
Transfers for Payments to Hospitals and Providers	751,914,223	485,449,470	(266,464,753)	-35.4%
Other Transfers to Non-Budgetary Funds	6,500,000	2,625,000	(3,875,000)	-59.6%
Life Sciences Innovation Investments	-	25,000,000	25,000,000	n/a
<b>Total Appropriated Spending</b>	<b>758,414,223</b>	<b>513,074,470</b>	<b>(245,339,753)</b>	<b>-32.3%</b>

Other Budgetary transfers include payments to hospitals under the Delivery System Transformation Initiative Fund (DSTI) and the Medical Assistance Trust Fund (MATF). The DSTI program traditionally provides two payments per fiscal year to hospitals, but due to the timing of program requirements, only half of the FY 2014 obligation will be paid in this fiscal year. The first FY 2014 payment totals \$105 M, funded with \$94 M from the General Fund and \$11 M through an Inter-Governmental Transfer (IGT) by

Cambridge Health Alliance. The federal match for this payment is \$52 M. The second DSTI payment will also total \$105 M, with a \$52 M federal match, and will be moved from FY 2014 to FY 2015. This change does not alter the timing of the payment, only the fiscal year in which it occurs. The FY 2014 budgeted transfer for MATF decreases by \$172 M in FY 2014 simply to reflect the elimination of a one-time supplemental funding increase in FY 2013 to a group of hospital payments that had not yet received federal approval by the close of FY 2012.

Lastly, the Governor's FY 2014 budget invests \$25 M in the Massachusetts Life Sciences Center (MLSC), an increase of \$10 M above FY 2013. This funding will enable MLSC to provide research grants and accelerator loans to researchers and early-stage companies, a direct investment in business expansion and job growth in this critical sector. The House 1 proposal represents the first time in five years that the 2008 life sciences initiative will be funded with a dedicated direct appropriation rather than potential year-end surplus.

### **State Workforce**

Chapter 29, Section 6 states that “The operating budget shall indicate the number of positions proposed to be authorized for each state agency or such other public instrumentality for the ensuing fiscal year, the number of positions for each state agency in the current and ensuing fiscal years and such other information as may be held to explain the anticipated results of the proposed expenditures”.

To address this requirement, the Governor’s budget recommendation includes budgeted Full Time Equivalency (FTE) counts summarized at the Government area level. Additional detail is included throughout the Budget Recommendations to indicate the employee level within specific departments.

### **Effect of the Budget on Personnel to Date**

Annually, the Executive Office for Administration and Finance (ANF) provides FTE caps to the Executive Branch Departments, prioritizing hiring in areas where positions are critical for public health and safety or where a position results in additional revenue or cost savings for the Commonwealth. FTE caps are implemented at the department level and reviewed regularly by ANF budget analysts to ensure agencies are taking the necessary steps to live within capped levels. It is important to note that FTEs correspond to budgeted level of staffing during any given fiscal year. For a number of reasons, particularly timing of planned hire dates, actual state employee head count and the number of budgeted FTEs may vary within state agencies. In addition, FTE counts typically are less than employee headcount or jobs, since a portion of state employees do not work full-time schedules.

Between the fall of 2008 and January 2013, the state workforce for jobs in the Executive Branch funded with operating dollars has declined by 3,541 jobs. The reduction can be attributed to layoffs, attrition and retirement across all agencies in the Executive Branch. This trend has been mirrored in the Non-Executive Branch. After accounting for an increase of 2,770 positions in January 2010 corresponding to the transition of seven county sheriffs’ offices to state agencies, total non-Executive budgetary jobs have declined by over 2,918 jobs. When considering employees paid in both branches, from all funding sources, the total state FTEs have decreased by close to 6,000 since FY 2008 (please see FTE discussion in the FY 2012 Statutory Basis Financial Report prepared by the State Comptroller’s Office).

The following chart lists the latest snapshot information. It should be noted that roughly 1,270 transportation FTEs were shifted off-budget in the Fall of 2009 while 2,770 sheriff employees were shifted on to the state budget on January 1, 2010. These changes should be accounted for when making historical comparisons.

STANDARD WORKFORCE SUMMARY AND VARIANCE REPORT, PAY PERIOD ENDING: 01/12/13

PAY PERIOD	BUDGET	NON-BUDG	TOTAL	VARIANCES	BUDGET	NON-BUDG	TOTAL
<b>BENCHMARK 1/20/2007</b>				<b>YTD FROM 1/20/2007</b>			
Executive Jobs	38,742	6,138	44,880	Exec Job Var	(3,998)	3,110	(888)
Non-Exec Jobs	30,844	9,658	40,502	Non-Exec Job Var	749	5,436	6,185
<i>Totals</i>	69,586	15,796	85,382	<i>Totals</i>	(3,249)	8,546	5,297
Executive FTE	37,366	5,950	43,316	Exec FTE Var	(3,550)	3,162	(388)
Non-Exec FTE	30,079	8,616	38,695	Non-Exec FTE Var	643	2,504	3,147
<i>Totals</i>	67,445	14,566	82,011	<i>Totals</i>	(2,907)	5,665	2,758
<b>BENCHMARK 10/11/2008</b>				<b>YTD FROM 10/11/2008</b>			
Executive Jobs	39,554	6,268	45,822	Exec Job Var	(4,810)	2,980	(1,830)
Non-Exec Jobs	31,741	9,895	41,636	Non-Exec Job Var	(148)	5,199	5,051
<i>Totals</i>	71,295	16,163	87,458	<i>Totals</i>	(4,958)	8,179	3,221
Executive FTE	38,308	6,119	44,427	Exec FTE Var	(4,492)	2,993	(1,499)
Non-Exec FTE	31,037	8,780	39,818	Non-Exec FTE Var	(315)	2,339	2,024
<i>Totals</i>	69,345	14,899	84,244	<i>Totals</i>	(4,807)	5,333	525
<b>PREVIOUS 12/29/2012</b>				<b>PREVIOUS VS. CURRENT 12/29/2012 1/12/2013</b>			
Executive Jobs	34,864	9,265	44,129	Exec Job Var	(120)	(17)	(137)
Non-Exec Jobs	31,776	14,938	46,714	Non-Exec Job Var	(183)	156	(27)
<i>Totals</i>	66,640	24,203	90,843	<i>Totals</i>	(303)	139	(164)
Executive FTE	33,924	9,129	43,053	Exec FTE Var	(109)	(17)	(126)
Non-Exec FTE	30,884	10,901	41,785	Non-Exec FTE Var	(162)	218	57
<i>Totals</i>	64,808	20,030	84,838	<i>Totals</i>	(270)	201	(69)
<b>CURRENT 1/12/2013</b>				<b>BENCHMARK VS. CURRENT EXEC BUDGETARY JOBS</b>			
Executive Jobs	34,744	9,248	43,992	Benchmark	10/11/2008	39,554	
Non-Exec Jobs	31,593	15,094	46,687	Current	1/12/2013	34,744	
<i>Totals</i>	66,337	24,342	90,679	<i>Actual Variance NOT adjusted</i>		<b>(4,810)</b>	
Executive FTE	33,816	9,112	42,928	<i>Variance adjusted for MassDOT reform</i>		<b>(3,541)</b>	
Non-Exec FTE	30,722	11,120	41,842				
<i>Totals</i>	64,538	20,232	84,770				

**Definitions:**

- Standard Workforce:** Describes the set of employees who are likely working regularly. It excludes those on unpaid leave and those in contractor, board member and seasonal positions.
- FTE:** "Full-Time Equivalent". Measures the workforce based on the hours each job is scheduled to work (not on hours actually worked per job). For example, two employees each scheduled as half-time (0.5) count as two jobs ("employees"), but only one FTE.
- Jobs:** Actual people ("employees") on the pay period, also known as "head count". It is a measure of workforce counting the actual number of employees filling positions.
- Budgetary:** Positions funded by the operating budget through direct appropriation and retained revenue accounts (i.e., GAA) based on the default account number in HRCMS.
- Non-Budgetary:** Positions funded by sources other than the state's operating budget (federal, trust, grant and capital)
- Executive:** Positions assigned to agencies in the Executive Branch, where the Governor is the Chief Executive Officer.
- Non-Executive:** Positions assigned to agencies not within the Executive Branch. These include Legislative, Judiciary, Independents and the colleges and UMass in Education.

H.1 Employment Levels

In reviewing the funding levels available to them for 2014, agencies must critically evaluate their employee level and determine further reductions are necessary to maintain a balanced budget. The Governor's FY 2014 budget recommendation projects a total of 64,655 budgetary FTEs. This amount includes FTEs from both Executive and Non-Executive departments as well as positions funded from the operating accounts listed within the budget. It should be noted that these figures are subject to change, based on various factors including final FY 2014 funding levels, actual payroll spending experience and budgetary guidance issued by A&F during FY 2014 spending plans (July-August 2013).

<b>FY 2013 and FY 2014 Budgetary FTEs Levels by Government Area</b>			
	<b>Estimated FY 2013</b>	<b>Proposed FY 2014</b>	<b>AnnualCh ange</b>
<b>Executive Branch Secretariats:</b>			
Administration and Finance	2,779	2,809	30
Education	529	565	36
Energy and Environmental Affairs	1,984	1,970	(14)
Housing and Economic Development	701	718	17
Health and Human Services	19,434	19,218	(217)
Transportation	0	0	-
Labor and Workforce Development	275	275	-
Public Safety	8,880	8,962	82
sub-total	34,584	34,517	(66)
<b>Non-Executive Branch:</b>			
Judiciary	7,230	7,230	-
Legislature	945	945	-
Constitutional Officers and Independents	9,555	9,567	12
Campuses	12,395	12,395	-
sub-total	30,125	30,137	12
<b>TOTAL STATE BUDGETED FTEs</b>	<b>64,709</b>	<b>64,655</b>	<b>(54)</b>

**Workforce Planning Goals**

The Executive Office for Administration and Finance (ANF) and the Human Resources Division have worked together to implement clear policies surrounding employees. Each fall, ANF engages each agency in a spending plan process in which each account is evaluated to determine how funds will be spent for the current fiscal year. This requires a detailed description of employees for the current year - including those currently on staff, positions that are open and intended to be filled and new positions for which funding is available. The goals of the employee caps are to:

- Restrain Growth in State Employee Levels - Since payroll is a large portion of many agency expenditures, and reductions in force can take so long that savings cannot be realized in a fiscal year, caps are needed to manage hiring within available funding levels. Although some hiring may have small costs for the current year, the full year value of new staff have budget impacts that must be considered.
- Mitigate Shifts to Other Funding Sources – Employees come onto the state payroll several ways including the operating budget (FTEs and contractors), the capital budget, federal grants and trusts. All sources are carefully reviewed to ensure we are maintaining compliance with employment laws and also to ensure that we are not using one time sources to pay for ongoing costs.
- Manage Overtime Costs – Although hiring restrictions are important, overtime costs must be considered to ensure that proper staffing levels are maintained for public health and safety where responsibilities are 24 hours / 7 days per week. Oftentimes, the savings of FTE

restrictions are simply shifted to higher overtime. Therefore, prudent management of both overtime and staffing levels must be evaluated.

## ***Financial Statements***

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Fiscal Note .....	2-73
Comprehensive State Spending .....	2-75
Financial Statement Explanation .....	2-77
Section 1. Beginning Balances .....	2-78
Section 2: Current Year Revenue and Spending.....	2-79
Section 3. Ending Balances .....	2-83
Financial Statements.....	2-85
Fund Balance Tables .....	2-89



## ***Fiscal Note***

The Governor submits the House 1 budget recommendation for FY 2014 for the maintenance of the departments, boards, commissions, institutions and certain activities of the Commonwealth, for interest, sinking fund and serial bond requirements. The Governor's budget recommendation totals \$34.825 B, before including the state's annual contribution for employee pension costs. When accounting for state pension costs, total FY 2014 state spending equals \$36.455 B. The estimated spending for the current fiscal year (FY 2013) totals \$32.568 B. FY 2014 spending will be 6.93% greater in estimated spending than FY 2013.

	<b>FY2013</b>	<b>FY2014</b>	<b>Annual Change</b>	<b>% Change</b>
Section 2 Direct Appropriations:	32,032.99	34,271.17	2,238	6.99%
Section 2 Retained Revenues:	535	554	19	3.57%
<b>Total FY 2014 Section 2 Spending</b>	<b>32,568</b>	<b>34,825</b>	<b>2,257</b>	<b>6.93%</b>
FY 2014 State Pension Contribution:	1,552	1,630	78	5.03%
FY 2014 Spending Including Pensions:	34,120	36,455	2,335	6.84%

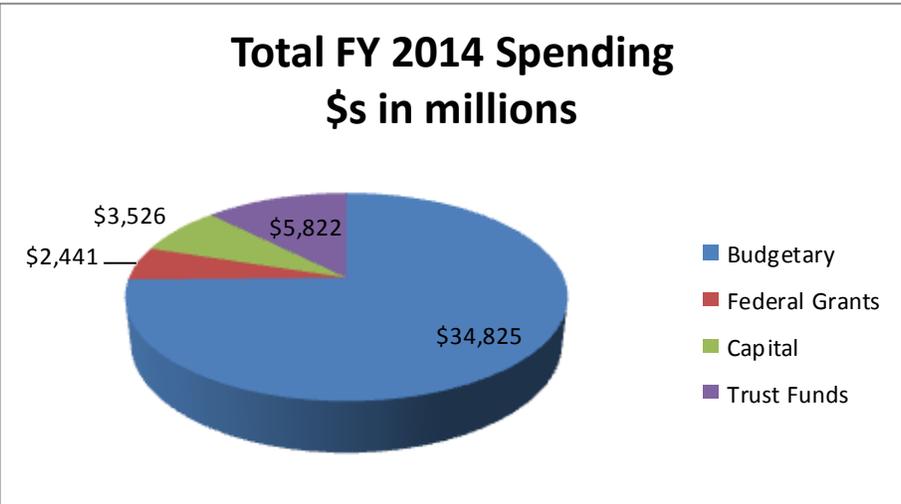
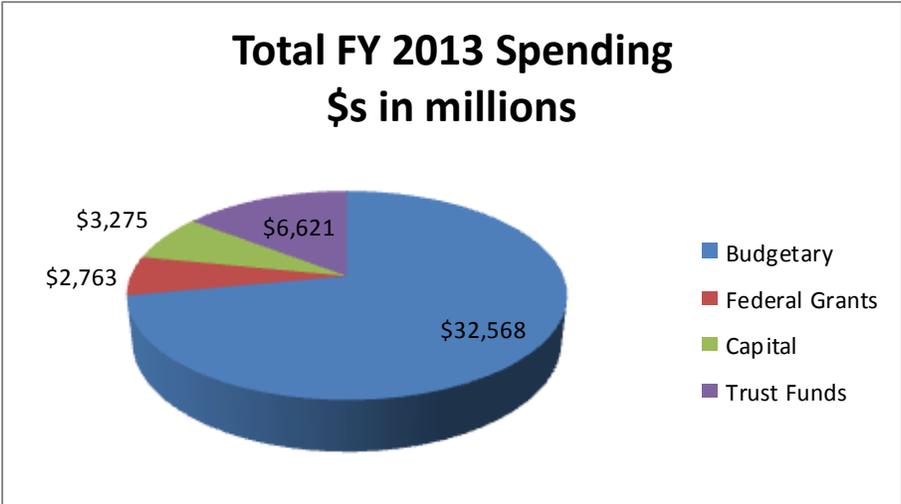
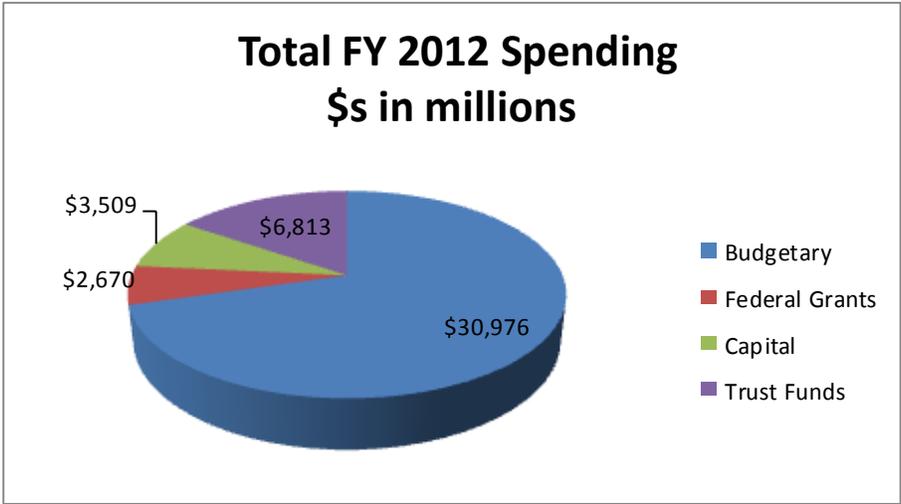


## ***Comprehensive State Spending***

When considering the Governor's recommendation for the FY 2014 budget it is important to remember that the funding levels proposed do not encompass the entire Massachusetts state spending for next year. In fact, a meaningful amount of state spending every year is done "off-budget" or through fund sources that are not subject to the annual appropriations adopted by the Legislature. The spending that is done by the state from non-operating sources falls into three general categories:

- **Federal Grants** – Annually the federal government provides billions of dollars in funding to state agencies to operate programs, whether ongoing or one-time, for a variety of purposes; housing, public health, environmental health, education and public safety. State agencies are responsible under state law for notifying the Legislature and the Executive Office for Administration and Finance (ANF) of their intent to apply for these funds, but are otherwise given flexibility in the timing and purpose of the expenditure of these funds. Most federal grants require rigorous reporting standards with which applicant state agencies must comply. The FY 2014 budget recommendation provides projected spending amounts for federal grants for each department in the Appropriation Recommendations section. Under the FY 2012 budget reform that created the Office of Commonwealth Performance, Accountability and Transparency (CPAT), oversight and central coordination of federal grant management was designated to CPAT to help maximize federal funding opportunities and link federal resources with Administration funding priorities.
- **Trust Funds** – Most state agencies have established trusts to be held on their behalf by the state treasurer into which they are directed in law or through a trust document to deposit revenues made available to the agency for dedicated purposes and restrictions. In general, any unexpended funds in state agency trust funds from one fiscal year to another remain in the appropriate funds, made available in future years for further expenditures. Projected spending amounts for trust funds are listed for each department following the state budgetary line-items in the Appropriations Recommendations section.
- **Capital Projects** – Every year the state must spend billions of dollars to support required maintenance and improvement to its transportation infrastructure, housing developments, state parks, and environmental projects and investments in higher education institutions. While this spending is authorized by the State Legislature, the appropriations are generally in effect over a five-year period in recognition that many capital projects must span multiple fiscal years, from project inception to completion. Most capital projects spending is funded through bond sales, which allow the state to finance large scale projects through borrowing and paying annual debt payments, much like a family would sign a mortgage loan for a house. Please see the Capital Budget section in this document for further discussion of capital projects spending.

The following charts show that the state operating budget makes up the largest portion of state spending in comparison to all funding sources in any given year. Yet over 25% of total state spending occurs from non-budgetary sources. In the financial statements following this discussion, only the operating budgeted fund revenues and expenditures are displayed. It is important to note that there are further resources that are annually available to the state and its agencies beyond those subject to the annual budgeting process.



## ***Financial Statement Explanation***

### **Financial Statement Explanation**

The following financial statements for FY 2012 (prior fiscal year), 2013 (current fiscal year) and 2014 (upcoming fiscal year) illustrate how the state arrives at a balanced budget for each respective year.

But what does “in balance”, in this instance, mean? And how do the financial statements go about determining whether the Commonwealth ends a year in balance in accordance with that definition?

The definition of statutory balance can vary significantly from that of GAAP or structural. Statutory balance is just that, a reflection of statutory conditions informed by the Legislative process. Statutory balance is outlined in state finance law (Massachusetts General Law Chapter 29).

Here is the definition of “balanced budget” according to state finance law:

“Balanced budget”, a condition of state finance in which the following requirements are met:

(i) the consolidated net surplus at the end of the fiscal year is greater than or equal to one-half of 1 per cent of state tax revenues for such fiscal year; and

(ii) the amount transferred to the stabilization fund under subsection (a) of section 5C is greater than or equal to 1/2 of 1 per cent of state tax revenue for such fiscal year.

The Governor’s FY 2014 budget recommendations include an outside section that would eliminate these two requirements. These section have typically been suspended in previous budget acts (General Appropriations Act or GAA), as the former is an antiquated provision that does not serve a meaningful purpose in the Commonwealth’s finances. The latter requirement is somewhat redundant, as any consolidated net surplus in the budgetary funds is required to be deposited into the Stabilization Fund. Furthermore, recent changes to state finance law that require the transfer to the Stabilization Fund of a certain amount of capital gains tax revenues, and settlements and judgments in excess of \$10 million, almost ensure that funds will be transferred to the Stabilization Fund in a given year even, even in the absence of the provision that is being struck.

So what is the “consolidated net surplus”?

"Consolidated net surplus in the budgetary funds" is the sum of the undesignated balances in the budgetary funds, except funds established by section 2H and section 2I and by section 2C of chapter 131.

So what is a “budgetary fund”?

"Budgetary funds" are state funds that are subject to appropriation as provided in section six (of Chapter 29).

Budgeted operating funds are subject to appropriation of the state Legislature and receive most of the non-bond and non-federal grant revenues of the Commonwealth. Two of the budgeted operating funds account for most of the Commonwealth’s spending: the General Fund and the Commonwealth Transportation Fund. Further background on each of the operating budgeted funds can be found in the “Budget Development” section of this document.

In essence, statutory balance is a measure of the fiscal condition of the Commonwealth that requires, after accounting for current year revenues and expenditures plus any designated revenues from prior years, stabilization deposit and funds carried forward, that three of the eight active budgetary funds (General Fund, Commonwealth Transportation Fund, and the Massachusetts Tourism Fund) close the fiscal year with an ending balance in those funds equal to 1% of that year’s tax revenue, ½ of that amount to be carry forward into the following fiscal year and the other ½ to be deposited into the Stabilization Fund. Any remaining undesignated balances after the calculation of the Consolidated Net Surplus would be deposited into the Stabilization Fund. It is important to note that not all of the budgeted operating funds are used to calculate Consolidated Net Surplus. Some of them, such as the Inland Fisheries and Game Fund and the Stabilization Fund, are excluded by law from the calculation. Therefore any remaining balances in these funds at the end of the year do not count toward whether the Commonwealth remains in balance.

As stated earlier, we are speaking in terms of “statutory balance”, which means the Legislature can amend the definition of balance as it sees fit. For example, in recent years the Legislature has suspended the ½ of 1% deposit to the Stabilization Fund. It has also provided for the first \$15 M of any remaining surplus to be dedicated to the Massachusetts Life Sciences Center. A review of each fiscal year’s financial statement yields greater clarity about what amendments the Legislature may have made to the definition of balance for that respective year.

Now that we have a better understanding of what the term “balance” means in this instance, let us review a number of the lines from the FY 2014 Financial Statement to understand how balance is arrived at after accounting for all of the various inflows, outflows and statutory conditions placed on the state budget.

There are three main components to the Financial Statement: beginning balances, current year revenue and spending, and ending balances.

**Section 1. Beginning Balances**

	ALL FUNDS
<b><u>FISCAL YEAR 2014 BEGINNING BALANCES</u></b>	
Undesignated Fund Balance	20.4
Stabilization Fund Balance	1,256.7
Designated for Continuing Appropriations into FY2014	0.0
Designated for Debt Service	7.6
<b>SUBTOTAL, FISCAL YEAR 2014 BEGINNING BALANCES</b>	<b>1,284.7</b>

**“Undesignated Fund Balance”**

This line represents the undesignated closing balances in the budgeted funds from the preceding year. This line is usually comprised with whatever the ½ of 1% carry forward turned out to be and any balance that remained in the budgeted funds that are not part of the Consolidated Net Surplus calculation. The Inland Fisheries and Game Fund is one such example, as a number of funds established in the gaming legislation signed by Governor Patrick in November of 2011 (see a further

discussion of these funds in the “Budget Development” section of the Governor’s House 1 budget recommendations).

**“Stabilization Fund Balance”**

This line reflects the FY 2013 ending balance of the Stabilization Fund. The purpose of the fund was to create and maintain a reserve to which any available portion of a consolidated net surplus in the operating funds would be transferred to and from which appropriations may be made for the following purposes: “(1) to make up any difference between actual state revenues and allowable state revenues in any fiscal year in which actual revenues fall below the allowable amount and (2) to replace the state and local loss of federal funds or (3) for any event which threatens the health, safety or welfare of the people or the fiscal stability of the commonwealth or any of its political subdivisions”.

**“Designated for Continuing Appropriations into FY2014”**

This line includes the value of "Prior Appropriations Continued" or "PACs", which are re-appropriated unexpended and unencumbered monies from one fiscal year for the subsequent fiscal year. In essence, the Legislature appropriated money in one fiscal year that for one reason or another went unspent by the time that fiscal year closed. This money is then carried forward to be made available for expenditure in the next fiscal year.

**“Designated for Debt Service”**

This line represents unspent balances reserved for debt service (where money must remain with the escrow agent after being transferred there during the fiscal year). Due to certain covenants in debt service trust agreements (for example gas tax bonds) the Commonwealth is required to deposit specific streams of revenue with bond trustees. At the end of each fiscal year, this revenue is held by the fiscal agent and applied to the following year’s debt service. These amounts show as reserved or designated on the Commonwealth’s financial statements, and reduce the undesignated balances.

**Section 2: Current Year Revenue and Spending**

<u>CURRENT YEAR REVENUES AND OTHER SOURCES</u>	
Gross Tax Revenues Including Governor's Proposals	23,181.7
Sales Tax Dedicated to the MBTA	(799.6)
Annual State Contribution to the State Pension System	(1,630.0)
Sales Tax Dedicated to the SBA	(707.8)
Workforce Training Trust Fund Transfer	(21.6)
<hr/>	
SubTotal: Net Tax Revenue Available for Budget	20,022.7
Federal Reimbursements	8,611.8
Departmental Revenue	3,475.3
Consolidated Transfers	2,144.2
Revenue Anticipation Note	400.0

Tobacco Settlement Proceeds to OPEB	(50.6)
<b>SUBTOTAL, FISCAL YEAR 2014 REVENUES</b>	<b>34,603.4</b>
<b>TOTAL, FISCAL YEAR 2014 AVAILABLE RESOURCES</b>	<b>35,888.1</b>

**“Current Year Revenues and Other Sources”**

This section includes budgeted revenues and other financial resources pertaining to the budgeted funds, such as inflows from tax and non-tax sources, including Taxes, Federal Reimbursements, Departmental Revenue and Consolidated Transfers, that are directed by law to be accounted and reported to a fund which is subject to annual appropriation. Descriptions of each revenue category are provided below.

**“Gross Tax Revenues Including Governor's Proposals”**

On or before January 15 of each year, the Secretary is required to develop jointly with the House and Senate Committees on Ways and Means a consensus tax revenue forecast for the following fiscal year. The “Gross Tax Revenues Including Governor’s Proposals” figure represents this consensus revenue estimate, upon which the three branches base their respective budgets adjusted to account for the Governor’s revenue proposals. Additional information regarding the Governor’s revenue proposals can be found in the “Budget Development” section and in a House 1 issue-in-brief titled “Raising Revenue for Critical Investments”.

**“Sales Tax Dedicated to the MBTA”**

The amount dedicated to the Massachusetts Bay Transportation Authority is the amount raised by a 1% sales tax (not including meals), with an inflation-adjusted floor.

**“Annual State Contribution to the State Pension System”**

Beginning in FY 2005, state finance law has required that the consensus tax revenue forecasts be net of the amount necessary to fully fund the pension system according to the applicable funding schedule, which amount is to be transferred without further appropriation from the General Fund to the Commonwealth’s Pension Liability Fund.

**“Sales Tax Dedicated to the SBA”**

The amount dedicated to the School Building Authority is the amount raised by a 1% sales tax (not including meals).

**“Workforce Training Trust Fund Transfer”**

The FY 2012 General Appropriations Act included a reform to the funding structure of the Workforce Training Fund by funding the program through an “off-budget” trust fund. Tax revenues are now transferred into the non-budgetary trust fund and the recently established trust fund is not subject to appropriation.

**“Federal Reimbursements”**

Federal revenues are collected through reimbursements for the federal share of entitlement programs such as Medicaid and through block grants for programs such as Transitional Assistance to Needy Families (TANF). The amount of federal reimbursements to be received is determined by state expenditures for these programs.

**“Departmental Revenue”**

Departmental and other non-tax revenues are derived from licenses, tuition, fees and reimbursements and assessments for services.

**“Consolidated Transfers”**

Consolidated transfers reflect inflows to the General Fund from non-budgeted funds which include annual tobacco settlement proceeds received as part of the Master Settlement Agreement with tobacco companies, net revenues from the State Lottery Fund, fringe revenue to recoup the cost of various statewide benefits assessed on non-budgeted funds and revenues from the Commonwealth’s Unclaimed Property Division.

**“Revenue Anticipation Note”**

The Governor’s FY14 allocation plan for the proposed new tax revenues assumes that \$400 M of the anticipated new tax revenue in FY 2015 and FY 2016 is borrowed to support investments in FY 2014, when the full-year revenue impact of the tax law changes will not be realized. Please see “FY 2014 Budget Recommendation” section of the FY 14 House 1 budget document for further detail on this item.

**“Tobacco Settlement Proceeds to OPEB”**

In FY 2014, 20% of the state’s annual tobacco settlement receipts, or \$50.6 M, will be set aside to help prepare for this liability. This percentage will grow each year by 10 percentage points (e.g., in FY 2015, 30% of tobacco settlement payments), until 100%, or an estimated \$254 M, is dedicated annually to help offset these costs.

<b><u>EXPENDITURES AND USES</u></b>	
Appropriated Spending	34,825.0
Contingency Reserve	0.0
Unspent Appropriations Continued to Fiscal Year 2015	0.0
<b>TOTAL, FISCAL YEAR 2014 EXPENDITURES</b>	<b>34,825.0</b>

<b><u>END OF FISCAL YEAR RESERVED BALANCES</u></b>	
Designated for Continuing Appropriations	0.0
Designated for Debt Service	7.6
<b>FISCAL YEAR 2014 UNDESIGNATED FUND BALANCE</b>	<b>1,055.6</b>
Fund Balance Deficit Elimination Transfers	0.0
<b>UNDESIGNATED FUND BALANCE</b>	<b>1,055.6</b>
Balances Reserved in Other Budgeted Funds	1,054.8

**“Designated for Continuing Appropriations”**

This line represents all appropriations made through various appropriation vehicles – for the most part by the budget act and supplemental spending bills.

It also captures:

- "Prior Appropriations continued" or "PACs", a phrase used to reappropriate unexpended and unencumbered monies from one fiscal year for the subsequent fiscal year. In this row we are spending what was carried in the “Designated for Continuing Appropriations into FY 2013” row in the Beginning Balances section of the document.
- "Retained revenue", the income of state agency or other public instrumentality from its operations which by law it is allowed to expend for a particular purpose up to a specified limit without further appropriation which would otherwise be subject to direct appropriation.
- “Section 2E Operating Transfers”, a transfer of funds from a budgeted fund to non-budgeted funds. An example of this is the transfer from the General Fund to the Commonwealth Care Trust Fund. The distinction between these transfers and the SBA, MBTA and Pension transfers is that those are required by law to be netted from the Consensus Revenue estimate and are not subject to appropriation.

**“Contingency Reserve”**

This row captures estimates for any potential further appropriations that may be requested through supplemental budget legislation for projected funding deficiencies.

**“Unspent Appropriations Continued to Fiscal Year 2015”**

This row reflects current year available spending that will be carried forward to be spent in the next fiscal year, in other words it represents current year PACs. PACs are reflected as a negative figure because they are reducing the current year spending total. The distinction between this row and the PACs carried in the “Direct Appropriations” row is that the latter is spending PACs from the previous fiscal year whereas the former is PACing money to the next fiscal year.

**“Designated for Continuing Appropriations”**

You may recall that the current year spending number does not count PACs as being spent; instead it counts PACs as a reduction in total available and therefore a reduction in total spending. However, showing PACs as unspent would increase the Undesignated Fund Balance in a misleading way since the extra balance created by the negative PAC entry is not undesignated and cannot be calculated as part of the Consolidated Net Surplus. The PACs must be considered spent or reserve for the calculation of surplus. This row accomplishes this by adding the PAC number back in so that we can have an accurate representation of “undesignated fund balances” that will ultimately be calculated as part of the Consolidated Net Surplus.

**“Fund Balance Deficit Elimination Transfers”**

Prior to calculating the Consolidated Net Surplus, the state Comptroller is under law required to eliminate deficits in any of the budgeted funds by transferring positive balances, proportionally, in any other budgeted funds that contribute to the Consolidated Net Surplus:

all transfers specified in this section shall be made from the undesignated fund balances in the budgetary funds proportionally from those undesignated fund balances, but no such transfer shall cause a deficit in any of those funds; provided, however, that prior to certifying the consolidated net surplus in accordance with this section, the comptroller shall, to the extent possible, eliminate deficits in any fund contributing to the surplus by transferring positive fund balances from any other fund contributing to the surplus.

**“Balances Reserved in Other Budgeted Funds”**

As mentioned earlier, state finance law excludes balances in certain budgeted funds from being used as part of the calculation of the Consolidated Net Surplus. This line eliminates those balances from the calculation as well as eliminating any funds that were reserved for future use, e.g., PACs.

**Section 3. Ending Balances**

<b>CONSOLIDATED NET SURPLUS</b>	<b>0.8</b>
<b><u>FISCAL YEAR 2014 ENDING BALANCES</u></b>	
Undesignated Fund Balance	19.8
Stabilization Fund Balance	1,035.8
Designated for Continuing Appropriations into FY2015	0.0
Designated for Debt Service	7.6
<b>TOTALS, FISCAL YEAR 2014 ENDING BALANCES</b>	<b>1,063.2</b>

**“Consolidated Net Surplus”**

Except as otherwise provided by law (see below), the amount certified as Consolidated Net Surplus by the Comptroller shall be transferred to the Stabilization Fund.

The Administration has proposed, and the Legislature has enacted, further restrictions on how the surplus is allocated. For example the FY 2013 GAA includes an outside section that would transfer the first \$25 M in any surplus to the Community Preservation Fund.

**“Undesignated Fund Balance” & “Stabilization Fund Balance” & “Designated for Continuing Appropriations in Fiscal Year 2015” & “Designated for Debt Service”**

The definitions of these four rows are identical to their counterparts in the “Beginning Balances” section, albeit with different figures due to the current year activity that took place.

**FISCAL YEAR 2012**

**FINANCIAL STATEMENT**

Budgeted Funds (in millions)

	ALL FUNDS
<b><u>FISCAL YEAR 2012 BEGINNING BALANCES</u></b>	
Undesignated Fund Balance	121.6
Stabilization Fund Balance	1,379.1
Designated for Continuing Appropriations into FY2012	380.8
Designated for Debt Service	19.2
<b>SUBTOTAL, FISCAL YEAR 2012 BEGINNING BALANCES</b>	<b>1,900.8</b>
<b><u>CURRENT YEAR REVENUES AND OTHER SOURCES</u></b>	
Gross Tax Revenues	21,114.7
Sales Tax Dedicated to the MBTA	(779.1)
Annual State Contribution to State Pension System	(1,478.0)
Sales Tax Dedicated to the SBA	(670.5)
<u>Workforce Training Fund</u>	(21.4)
SubTotal: Net Tax Revenue Available for Budget	18,165.7
Federal Reimbursements	7,971.7
Departmental Revenue	2,921.4
Consolidated Transfers	2,009.7
<b>SUBTOTAL, FISCAL YEAR 2012 REVENUES</b>	<b>31,068.5</b>
<b>TOTAL, FISCAL YEAR 2012 AVAILABLE RESOURCES</b>	<b>32,969.3</b>
<b>TOTAL, FISCAL YEAR 2012 EXPENDITURES</b>	<b>30,979.6</b>
<b><u>FISCAL YEAR 2012 ENDING BALANCES</u></b>	
Undesignated Fund Balance	167.1
Stabilization Fund Balance	1,652.1
Designated for Continuing Appropriations into FY2013	162.9
Designated for Debt Service	7.6
<b>TOTALS, FISCAL YEAR 2012 ENDING BALANCES</b>	<b>1,989.7</b>

[For additional detail behind FY 12 revenues and expenditures, please refer to the Fiscal 2012 Statutory Basis Financial Report, which can be found on the Comptroller's website at \[www.mass.gov/osc\]\(http://www.mass.gov/osc\).](#)

# FY2014 Governor's Budget Recommendation

## FISCAL YEAR 2013

### FINANCIAL STATEMENT

Budgeted Funds (in millions)

	ALL FUNDS	GENERAL FUND	WORKFORCE TRAINING	COMM. TRNSP FUND	MASS TOURISM	STABIL. FUND	OTHER FUNDS
<b><u>FISCAL YEAR 2013 BEGINNING BALANCES</u></b>							
Undesignated Fund Balance	167.2	146.9	0.0	0.0	0.0	0.0	20.3
Stabilization Fund Balance	1,652.1	0.0	0.0	0.0	0.0	1,652.1	0.0
Designated for Continuing Appropriations into FY2013	141.6	141.6	0.0	0.0	0.0	0.0	0.0
Designated for Debt Service	7.6	0.0	0.0	7.6	0.0	0.0	0.0
<b>SUBTOTAL, FISCAL YEAR 2013 BEGINNING BALANCES</b>	<b>1,968.5</b>	<b>288.5</b>	<b>0.0</b>	<b>7.6</b>	<b>0.0</b>	<b>1,652.1</b>	<b>20.3</b>
<b><u>CURRENT YEAR REVENUES AND OTHER SOURCES</u></b>							
Gross Tax Revenues	21,496.0	20,447.0	21.6	981.6	44.9	0.0	0.9
Sales Tax Dedicated to the MBTA	(786.9)	(786.9)	0.0	0.0	0.0	0.0	0.0
Annual State Contribution to the State Pension System	(1,552.0)	(1,552.0)	0.0	0.0	0.0	0.0	0.0
Sales Tax Dedicated to the SBA	(682.2)	(682.2)	0.0	0.0	0.0	0.0	0.0
Workforce Training Trust Fund Transfer	(21.6)	0.0	(21.6)	0.0	0.0	0.0	0.0
SubTotal: Net Tax Revenue Available for Budget	18,453.3	17,425.9	0.0	981.6	44.9	0.0	0.9
Federal Reimbursements	8,207.4	8,201.9	0.0	0.0	0.0	0.0	5.5
Departmental Revenue	3,348.1	2,798.2	0.0	536.1	0.0	5.7	8.1
Consolidated Transfers	1,900.1	2,303.0	0.0	0.0	(0.4)	(400.7)	(1.8)
Tobacco Settlement Proceeds to OPEB	(25.3)	(25.3)	0.0	0.0	0.0	0.0	0.0
<b>SUBTOTAL, FISCAL YEAR 2013 REVENUES</b>	<b>31,883.6</b>	<b>30,703.7</b>	<b>0.0</b>	<b>1,517.7</b>	<b>44.5</b>	<b>(395.0)</b>	<b>12.7</b>
<b>TOTAL, FISCAL YEAR 2013 AVAILABLE RESOURCES</b>	<b>33,852.1</b>	<b>30,992.2</b>	<b>0.0</b>	<b>1,525.3</b>	<b>44.5</b>	<b>1,257.1</b>	<b>33.0</b>
<b><u>EXPENDITURES AND USES</u></b>							
Appropriated Spending	32,543.0	30,993.8	0.0	1,519.5	16.4	0.0	13.3
Contingency Reserve	24.6	24.6	0.0	0.0	0.0	0.0	0.0
Unspent Appropriations Continued to Fiscal Year 2014	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL, FISCAL YEAR 2013 EXPENDITURES</b>	<b>32,567.6</b>	<b>31,018.4</b>	<b>0.0</b>	<b>1,519.5</b>	<b>16.4</b>	<b>0.0</b>	<b>13.3</b>
<b><u>END OF FISCAL YEAR RESERVED BALANCES</u></b>							
Designated for Continuing Appropriations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Designated for Debt Service	7.6	0.0	0.0	7.6	0.0	0.0	0.0
<b>FISCAL YEAR 2013 UNDESIGNATED FUND BALANCE</b>	<b>1,276.9</b>	<b>(26.2)</b>	<b>0.0</b>	<b>(1.8)</b>	<b>28.1</b>	<b>1,257.1</b>	<b>19.7</b>
Fund Balance Deficit Elimination Transfers	0.0	26.2	0.0	1.8	(28.0)	0.0	0.0
<b>UNDESIGNATED FUND BALANCE</b>	<b>1,276.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>1,257.1</b>	<b>19.7</b>
Balances Reserved in Other Budgeted Funds	1,276.8	0.0	0.0	0.0	0.0	1,257.1	19.7
<b>CONSOLIDATED NET SURPLUS</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>
<b>STATUTORY CARRY FORWARD TO FY2013</b>	<b>0.0</b>						
<b>STATUTORY TRANSFER TO STABILIZATION FUND</b>	<b>0.0</b>						
<b>REMAINING SURPLUS DEPOSITED IN STABILIZATION FUND</b>	<b>0.1</b>						
<b><u>FISCAL YEAR 2013 ENDING BALANCES</u></b>							
Undesignated Fund Balance	19.7	0.0	0.0	0.0	0.0	0.0	19.7
Stabilization Fund Balance	1,257.2	0.0	0.0	0.0	0.0	1,257.2	0.0
Designated for Continuing Appropriations into FY2014	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Designated for Debt Service	7.6	0.0	0.0	7.6	0.0	0.0	0.0
<b>TOTALS, FISCAL YEAR 2013 ENDING BALANCES</b>	<b>1,284.5</b>	<b>0.0</b>	<b>0.0</b>	<b>7.6</b>	<b>0.0</b>	<b>1,257.2</b>	<b>19.7</b>

**FISCAL YEAR 2014**  
**FINANCIAL STATEMENT**  
 Budgeted Funds (in millions)

	ALL FUNDS	GENERAL FUND	WORKFORCE TRAINING	COMM. TRNSP FUND	MASS TOURISM	STABIL. FUND	OTHER FUNDS
<b><u>FISCAL YEAR 2014 BEGINNING BALANCES</u></b>							
Undesignated Fund Balance	19.7	0.0	0.0	0.0	0.0	0.0	19.7
Stabilization Fund Balance	1,257.2	0.0	0.0	0.0	0.0	1,257.2	0.0
Designated for Continuing Appropriations into FY2014	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Designated for Debt Service	7.6	0.0	0.0	7.6	0.0	0.0	0.0
<b>SUBTOTAL, FISCAL YEAR 2014 BEGINNING BALANCES</b>	<b>1,284.5</b>	<b>0.0</b>	<b>0.0</b>	<b>7.6</b>	<b>0.0</b>	<b>1,257.2</b>	<b>19.7</b>
<b><u>CURRENT YEAR REVENUES AND OTHER SOURCES</u></b>							
Gross Tax Revenues Including Governor's Proposals	23,181.7	22,103.7	21.6	1,009.5	46.0	0.0	0.9
Sales Tax Dedicated to the MBTA	(799.6)	(799.6)	0.0	0.0	0.0	0.0	0.0
Annual State Contribution to the State Pension System	(1,630.0)	(1,630.0)	0.0	0.0	0.0	0.0	0.0
Sales Tax Dedicated to the SBA	(707.8)	(707.8)	0.0	0.0	0.0	0.0	0.0
Workforce Training Trust Fund Transfer	(21.6)	0.0	(21.6)	0.0	0.0	0.0	0.0
SubTotal: Net Tax Revenue Available for Budget	20,022.7	18,966.3	0.0	1,009.5	46.0	0.0	0.9
Federal Reimbursements	8,611.8	8,606.3	0.0	0.0	0.0	0.0	5.5
Departmental Revenue	3,475.3	2,922.8	0.0	538.1	0.0	5.7	8.7
Consolidated Transfers	2,144.2	2,290.7	0.0	0.0	2.2	(227.4)	78.7
Revenue Anticipation Note	400.0	400.0	0.0	0.0	0.0	0.0	0.0
Tobacco Settlement Proceeds to OPEB	(50.6)	(50.6)	0.0	0.0	0.0	0.0	0.0
<b>SUBTOTAL, FISCAL YEAR 2014 REVENUES</b>	<b>34,603.4</b>	<b>33,135.5</b>	<b>0.0</b>	<b>1,547.6</b>	<b>48.2</b>	<b>(221.7)</b>	<b>93.8</b>
<b>TOTAL, FISCAL YEAR 2014 AVAILABLE RESOURCES</b>	<b>35,887.9</b>	<b>33,135.5</b>	<b>0.0</b>	<b>1,555.2</b>	<b>48.2</b>	<b>1,035.5</b>	<b>113.5</b>
<b><u>EXPENDITURES AND USES</u></b>							
Appropriated Spending	34,825.0	32,941.6	0.0	1,769.4	19.6	0.0	94.4
Contingency Reserve	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Unspent Appropriations Continued to Fiscal Year 2015	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL, FISCAL YEAR 2014 EXPENDITURES</b>	<b>34,825.0</b>	<b>32,941.6</b>	<b>0.0</b>	<b>1,769.4</b>	<b>19.6</b>	<b>0.0</b>	<b>94.4</b>
<b><u>END OF FISCAL YEAR RESERVED BALANCES</u></b>							
Designated for Continuing Appropriations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Designated for Debt Service	7.6	0.0	0.0	7.6	0.0	0.0	0.0
<b>FISCAL YEAR 2014 UNDESIGNATED FUND BALANCE</b>	<b>1,055.4</b>	<b>193.9</b>	<b>0.0</b>	<b>(221.8)</b>	<b>28.7</b>	<b>1,035.5</b>	<b>19.1</b>
Fund Balance Deficit Elimination Transfers	0.0	(193.2)	0.0	221.8	(28.6)	0.0	0.0
<b>UNDESIGNATED FUND BALANCE</b>	<b>1,055.4</b>	<b>0.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>1,035.5</b>	<b>19.1</b>
Balances Reserved in Other Budgeted Funds	1,054.6	0.0	0.0	0.0	0.0	1,035.5	19.1
<b>CONSOLIDATED NET SURPLUS</b>	<b>0.8</b>	<b>0.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>
<b><u>FISCAL YEAR 2014 ENDING BALANCES</u></b>							
Undesignated Fund Balance	19.1	0.0	0.0	0.0	0.0	0.0	19.1
Stabilization Fund Balance	1,036.3	0.0	0.0	0.0	0.0	1,036.3	0.0
Designated for Continuing Appropriations into FY2015	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Designated for Debt Service	7.6	0.0	0.0	7.6	0.0	0.0	0.0
<b>TOTALS, FISCAL YEAR 2014 ENDING BALANCES</b>	<b>1,063.0</b>	<b>0.0</b>	<b>0.0</b>	<b>7.6</b>	<b>0.0</b>	<b>1,036.3</b>	<b>19.1</b>



## Fund Balance Tables

### All Funds Balances (in millions)

This table consolidates all the budgeted funds which are the primary operating funds of the Commonwealth. They account for all budgeted governmental transactions. Major budgeted funds include the General, Stabilization, Massachusetts Tourism, and Commonwealth Transportation funds.

	FY12	FY13	FY14
<b>Beginning Fund Balances</b>	1,900.7	1,968.5	1,284.5
<b>Taxes</b>	17,653.2	18,453.3	20,022.7
<b>Federal Revenues</b>			
<b>Federal Revenues</b>	9,299.2	8,206.3	8,138.7
- Reimbursement for Services	0.3	1.1	473.1
<b>Departmental Revenues</b>			
- Fees	1,116.0	1,064.2	1,078.1
- Reimbursement for Services	794.7	972.8	1,039.2
- Special Assessments	459.9	448.2	458.2
- Federal Reimbursement	204.6	219.0	223.8
- Licenses and Permits	119.4	113.4	121.9
- Pensions - Other	55.9	45.5	45.5
- Fines and Penalties	35.9	38.0	49.9
- Unclaimed Deposits	35.8	36.0	60.2
- Revenue Maximization	33.9	26.4	25.4
- Rents	32.0	32.7	34.0
- Fringe Benefit Recovery Cost	30.0	150.3	95.0
- Operating Transfers In	29.9	31.1	30.2
- Interest Income	25.0	19.6	19.6
- Revenue Collections by Courts	16.2	103.3	104.0
- Sale of Goods	10.8	11.9	43.8
- Deeds County Correction	0.1	0.3	0.3
- Federal Grant	0.0	0.0	1.8
- Trust Contributions	0.0	0.0	0.3
- Other Sources	0.0	0.0	1.5
- Miscellaneous	(88.7)	35.6	42.5
<b>Consolidated Transfers</b>	1,779.1	1,900.2	2,144.3
<b>Total Revenues</b>	<b>31,643.4</b>	<b>31,909.1</b>	<b>34,254.0</b>
Transfers from Other Funds	(1,314.3)	(25.5)	349.4
<b>Total Available</b>	<b>32,229.9</b>	<b>33,852.1</b>	<b>35,887.9</b>

**All Funds Balances (in millions)**

This table consolidates all the budgeted funds which are the primary operating funds of the Commonwealth. They account for all budgeted governmental transactions. Major budgeted funds include the General, Stabilization, Massachusetts Tourism, and Commonwealth Transportation funds.

	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>
Local Aid	4,864.5	5,104.0	5,375.6
Medicaid	10,431.1	10,857.7	12,273.5
Debt Service	2,154.3	2,366.5	2,428.4
Judiciary	765.3	777.8	808.5
Independents	2,808.2	971.2	923.9
Administration & Finance	1,634.9	2,784.1	2,646.5
Energy & Environmental Affairs	187.5	203.0	224.0
Health & Human Services	4,672.0	5,578.2	5,559.3
Transportation	0.0	348.9	589.7
Housing & Economic Development	437.3	471.4	485.7
Labor & Workforce Development	36.0	40.6	42.1
Education	1,925.0	2,028.1	2,395.2
Public Safety	926.6	969.8	1,007.3
Legislature	58.4	66.2	65.4
<b>Total Expenditures</b>	<b>30,901.1</b>	<b>32,567.6</b>	<b>34,825.0</b>
Transfers to Other Funds	(661.0)	0.0	(0.1)
<b>Ending Fund Balances</b>	<b>1,989.7</b>	<b>1,284.5</b>	<b>1,063.0</b>

**General Fund Balances (in millions)**

The General Fund is the Commonwealth's primary Governmental Fund. All governmental activities not specifically directed to another fund are accounted for in the General Fund. As a result, most budgeted expenditures of the Executive secretariats, the Legislature, Constitutional offices, Judiciary, institutions of higher education and independent commissions are paid for from the General Fund. It similarly receives a significant portion of sales, individual income and corporate taxes, and the full amount of most other governmental taxes.

	FY12	FY13	FY14
<b>Beginning Fund Balances</b>	450.8	288.5	0.0
<b>Taxes</b>	16,586.4	17,425.9	18,966.3
<b>Federal Revenues</b>			
<b>Federal Revenues</b>	9,295.0	8,200.8	8,133.2
- Reimbursement for Services	0.3	1.1	473.1
<b>Departmental Revenues</b>			
- Reimbursement for Services	794.7	972.8	1,039.2
- Fees	615.1	548.3	560.2
- Special Assessments	438.4	426.0	435.8
- Federal Reimbursement	204.6	219.0	223.8
- Licenses and Permits	113.1	107.9	116.2
- Pensions - Other	55.9	45.5	45.5
- Fines and Penalties	35.9	38.0	49.9
- Unclaimed Deposits	35.8	36.0	60.2
- Revenue Maximization	33.9	26.4	25.4
- Rents	32.0	32.7	34.0
- Fringe Benefit Recovery Cost	30.0	150.3	95.0
- Operating Transfers In	29.9	31.1	30.2
- Revenue Collections by Courts	16.1	103.3	104.0
- Interest Income	14.6	13.9	13.9
- Sale of Goods	10.8	11.5	43.4
- Deeds County Correction	0.1	0.3	0.3
- Federal Grant	0.0	0.0	1.8
- Trust Contributions	0.0	0.0	0.3
- Other Sources	0.0	0.0	1.5
- Miscellaneous	(64.7)	35.3	42.2
<b>Consolidated Transfers</b>	1,497.1	2,303.0	2,290.7
<b>Total Revenues</b>	<b>29,775.0</b>	<b>30,729.0</b>	<b>32,786.2</b>
Transfers from Other Funds	(610.8)	(25.3)	349.3

**General Fund Balances (in millions)**

The General Fund is the Commonwealth's primary Governmental Fund. All governmental activities not specifically directed to another fund are accounted for in the General Fund. As a result, most budgeted expenditures of the Executive secretariats, the Legislature, Constitutional offices, Judiciary, institutions of higher education and independent commissions are paid for from the General Fund. It similarly receives a significant portion of sales, individual income and corporate taxes, and the full amount of most other governmental taxes.

	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>
<b>Total Available</b>	<b>29,615.0</b>	<b>30,992.2</b>	<b>33,135.5</b>
Local Aid	4,864.5	5,104.0	5,366.8
Medicaid	10,431.1	10,857.7	12,273.5
Debt Service	1,078.0	1,215.5	1,248.7
Judiciary	765.3	777.8	808.5
Independents	2,419.0	971.2	923.9
Administration & Finance	1,634.9	2,784.1	2,646.5
Energy & Environmental Affairs	176.2	189.7	210.1
Health & Human Services	4,672.0	5,578.2	5,559.3
Housing & Economic Development	425.7	454.9	425.7
Labor & Workforce Development	36.0	40.6	40.5
Education	1,925.0	2,028.1	2,365.4
Public Safety	926.6	969.8	1,007.3
Legislature	58.4	66.2	65.4
<b>Total Expenditures</b>	<b>29,412.5</b>	<b>31,038.0</b>	<b>32,941.7</b>
Transfers to Other Funds	(99.1)	(45.8)	193.8
<b>Ending Fund Balances</b>	<b>301.6</b>	<b>0.0</b>	<b>0.0</b>

**Workforce Training Fund Balances (in millions)**

The Workforce Training Fund, authorized in section 2RR of Chapter 29 of the General Laws and administered by the Executive Office of Labor and Workforce Development, provides employers with matching grants of up to \$250,000 or more to help train new and incumbent workers. It was established in July 1998, and financed entirely by Massachusetts employers. In fiscal year 2011 the Fund was financed by an employer surcharge of .075% on employees' wages, paid concurrently with payments into the Unemployment Insurance Trust Fund. Annual state revenues from employer contributions total approximately \$19 million, and state appropriations for training grants are continually rolled forward into future fiscal years to provide for multiple-year grant awards. Recent changes to state finance law made the Workforce Training Fund an "off-budget" trust fund. This change will be responsive to private employers concerns that annual WTF contributions have been diverted in the past from job training initiatives and used for broader budget purposes.

	FY12	FY13	FY14
<b>Beginning Fund Balances</b>	0.0	0.0	0.0
<b>Taxes</b>	20.4	0.0	0.0
<b>Consolidated Transfers</b>	(3.8)	0.0	0.0
<b>Total Revenues</b>	<b>16.6</b>	<b>0.0</b>	<b>0.0</b>
Transfers from Other Funds	16.2	0.0	0.0
<b>Total Available</b>	<b>32.8</b>	<b>0.0</b>	<b>0.0</b>
Transfers to Other Funds	32.8	0.0	0.0
<b>Ending Fund Balances</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Commonwealth Transportation Fund Balances (in millions)**

The Commonwealth Transportation Fund accounts for road and highway use revenues, including the gas tax, registry fees and 0.385% of the sales tax. The fund is used to pay debt service associated with highway maintenance and construction projects and provides funding for the operation of the independent Massachusetts Department of Transportation (MassDOT). Established as part of the historic transportation reforms implemented in fiscal year 2010, the fund replaced the former Highway Fund as the principal source of transportation related revenues and expenditures for the Commonwealth.

	FY12	FY13	FY14
<b>Beginning Fund Balances</b>	31.2	7.6	7.6
<b>Taxes</b>	962.1	981.6	1,009.5
<b>Departmental Revenues</b>			
- Fees	498.1	513.0	514.7
- Special Assessments	21.5	22.2	22.5
- Licenses and Permits	0.3	0.3	0.3
- Revenue Collections by Courts	0.2	0.0	0.0
- Sale of Goods	0.0	0.4	0.4
- Miscellaneous	(20.9)	0.3	0.3
<b>Consolidated Transfers</b>	(32.9)	0.0	0.0
<b>Total Revenues</b>	<b>1,428.4</b>	<b>1,517.7</b>	<b>1,547.6</b>
Transfers from Other Funds	(20.3)	0.0	0.0
<b>Total Available</b>	<b>1,439.2</b>	<b>1,525.3</b>	<b>1,555.2</b>
Debt Service	1,076.3	1,151.0	1,179.7
Independents	383.2	0.0	0.0
Transportation	0.0	348.9	589.7
<b>Total Expenditures</b>	<b>1,459.5</b>	<b>1,499.9</b>	<b>1,769.4</b>
Transfers to Other Funds	(27.9)	17.8	(221.8)
<b>Ending Fund Balances</b>	<b>7.6</b>	<b>7.6</b>	<b>7.6</b>

**Tourism Fund Balances (in millions)**

The Massachusetts Tourism Fund, authorized in section 35J of Chapter 10 of the MGL, is funded with 35 percent of the State's annual revenues received from the hotel occupancy tax authorized in section 3 of Chapter 64G. The Fund's use is proscribed in Chapter 10, which includes a formula that assigns various funding levels for tourism promotion programs and activities, including the Massachusetts Office of Travel and Tourism, regional tourism promotion agencies, the Massachusetts Office of International Trade and Investment, and the Cultural Facilities Fund. While funding for the purposes prescribed in the section are being made in this budget, the specific requirements of the fund have been suspended through an outside section for the last several years.

	FY12	FY13	FY14
<b>Beginning Fund Balances</b>	0.0	0.0	0.0
<b>Federal Revenues</b>	5.3	5.5	5.5
<b>Departmental Revenues</b>			
- Licenses and Permits	6.0	5.2	5.4
- Fees	2.8	2.9	3.2
- Fines and Penalties	0.1	0.0	0.0
- Rents	0.1	0.0	0.0
<b>Consolidated Transfers</b>	0.8	(1.8)	(1.8)
<b>Total Revenues</b>	<b>15.1</b>	<b>11.9</b>	<b>12.4</b>
Transfers from Other Funds	(15.1)	(11.9)	(12.4)
<b>Total Available</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Energy & Environmental Affairs	11.4	13.3	13.9
<b>Total Expenditures</b>	<b>11.4</b>	<b>13.3</b>	<b>13.9</b>
Transfers to Other Funds	(11.4)	(13.3)	(13.9)
<b>Ending Fund Balances</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Stabilization Fund Balances (in millions)**

The Commonwealth Stabilization Fund is established in Chapter 29, section 2H of the General Laws as a reserve of surplus revenues to be used for the purposes of: (1) covering revenue shortfalls, (2) covering state or local losses of federal funds, or (3) for any event which threatens the health, safety or welfare of the people or the fiscal stability of the Commonwealth or any of its political subdivisions. The fund is sometimes referred to as the state's "rainy day fund," serving as a source of financial support for the state budget in times of slow or declining revenue growth and as the primary source of protection against having to make drastic cuts in state services in periods of economic downturns. There are a number of different ways monies can be deposited to the fund including but not limited to: the statutorily required deposit of 1/2 of 1 per cent of state tax revenue in a fiscal year, any capital gains revenue above and beyond \$1 billion in a given fiscal year, deposits of any one-time settlements or judgments amounting to \$10 million or more and ad hoc deposits as authorized by the state Legislature.

	FY12	FY13	FY14
<b>Beginning Fund Balances</b>	7.2	0.0	0.0
<b>Taxes</b>	38.6	44.9	46.0
<b>Consolidated Transfers</b>	(28.1)	(0.4)	2.2
<b>Total Revenues</b>	<b>10.5</b>	<b>44.5</b>	<b>48.2</b>
Transfers from Other Funds	21.0	0.0	0.0
<b>Total Available</b>	<b>38.7</b>	<b>44.5</b>	<b>48.2</b>
Independents	6.0	0.0	0.0
Housing & Economic Development	11.6	16.4	19.6
<b>Total Expenditures</b>	<b>17.7</b>	<b>16.4</b>	<b>19.6</b>
Transfers to Other Funds	21.0	28.1	28.6
<b>Ending Fund Balances</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Other Funds Balances (in millions)**

These include the Inland Fisheries and Game Fund and Marine Recreational Fisheries Development Fund. The latter, which was recently established, accounts for all recreational saltwater fishing permit fees collected by the director of the division of marine fisheries. Fees collected in this fund shall be used for the development and administration of the recreational saltwater fishing permit program which supports science and conservation programs designed to improve recreational saltwater fishing.

	FY12	FY13	FY14
<b>Beginning Fund Balances</b>	0.0	0.0	0.0
<b>Total Revenues</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Available</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Ending Fund Balances</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>



***Capital Budget***

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Capital Investment Plan ..... 3-101

Debt Affordability Analysis..... 3-107



## ***Capital Investment Plan***

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The Commonwealth's five-year capital investment plan is updated annually after the operating budget has been released. Under Governor Patrick's leadership, the Executive Office for Administration and Finance now develops a five-year Capital Investment Plan in conjunction with an annual debt affordability analysis to help ensure Massachusetts continues to borrow responsibly.

The current FY 2013-2017 plan implements the vision and priorities established in each of the Patrick-Murray Administration's first five plans. In large part, the investments included in FY 2013-2017 plan continue projects launched in prior years or commence projects anticipated by the prior five-year plans. Over 80 percent of the bond-funded FY13 capital investment plan is needed to fund previously-made commitments, including ongoing construction contracts, investments needed to leverage federal funds, legal commitments and personnel needed to carry out capital programs.

As with the prior capital plans, the Administration engaged in a diligent, fiscally responsible, and comprehensive process for developing this five-year capital investment proposal. One common challenge each year is that demand for capital improvements far exceeds affordable funding capacity. The inevitable consequence is that many worthy projects will not receive funding.

In order to establish the total amount of the bond-funded capital program within an affordable level, the Administration conducts a rigorous review of the Commonwealth's debt capacity within its debt affordability policy. The debt affordability analysis underlying the FY 2013-2017 capital investment plan can be found at <http://www.mass.gov/bb/cap/fy2013/exec/hdebt affordability.htm>. In part due to the Patrick-Murray Administration's diligence in following the debt affordability analysis, the state presently has ratings of Aa1 from Moody's and AA+ from Fitch and Standard & Poor's. Taken together, these ratings give Massachusetts its highest credit standing in history.

### **Highlights of the FY 2013 Capital Investment Plan**

The Patrick-Murray Administration's capital investment plan is designed to reverse decades of underinvestment, create jobs and set the stage for a better economic future. This is accomplished by investing in public higher education, supporting innovation industries and strengthening infrastructure.

The FY 2013 Capital Investment Plan continues the Administration's efforts to create an affordable, accessible public higher education system, by committing \$1.16 billion in programmed projects and over \$100 million reserved for future projects or deferred maintenance over five years. In FY 2013, the Administration strengthened its commitment to community colleges by announcing five new community college projects which will provide students with strong educational foundations and relevant workforce training opportunities that will prepare them for success in the local job market and/or further academic study. Additionally, projects are currently underway or completed at 26 of the 29 public university campuses, including laboratory facilities at the University of Massachusetts (UMass) Boston, UMass Lowell, UMass Amherst, Bridgewater State, Fitchburg State, Framingham State and Mass College of Liberal Arts; libraries at UMass Dartmouth, Salem State and Mass Maritime Academy; and classrooms at UMass Amherst and UMass Boston.

The Patrick-Murray Administration's commitment to innovation industries continues with \$500 million of capital investment over ten years to support the life sciences. This investment includes the completion of the Sherman Center at the University of Massachusetts Medical School in Worcester, University of Massachusetts Dartmouth's Biomanufacturing facility, and the Dana-Farber Cancer Institute.

Through capital investment the Patrick-Murray Administration has strengthened infrastructure by repairing or replacing aging state facilities, roads and bridges and providing broadband communication to the 123 cities and towns in Massachusetts that previously did not have high-speed internet.

The Accelerated Bridge Program has reduced the number structurally-deficient bridges by almost 20%, and created 17,000 jobs throughout the state. In the FY 2013-2017 Capital Investment Plan, the Administration applies the same approach to energy efficiency at state facilities. The new Accelerated Energy Program is a three-year initiative to “green” 700 sites in 700 working days encompassing over 4,000 state buildings throughout the Commonwealth. This program will create thousands of clean energy job opportunities across the Commonwealth and save over \$40 million annually through the conservation of energy and water.

Please note that the FY 2013-2017 Capital Investment Plan was published in October of 2012 and has not been updated to reflect the Administration’s proposal to increase the transportation capital investment by \$13 B over the next ten years to create a state-of-the-art transportation network that is able to provide fast and reliable service while attracting and supporting sustainable economic growth in the future. The program budget includes FY 2014 capital spending as projected by the FY 2013-2017 Capital Investment Plan, and similarly does not include the proposed transportation investment.

The FY 2013-2017 plan continues strategic investments in the future by creating thousands of new jobs and improving the environment for economic growth. Examples of projects included in the FY 2013-2017 plan:

- \$5.4 million in FY 2013 for the Springfield Union Station Parking Garage which will be constructed in conjunction with the proposed development of the Union Station Regional Intermodal Transportation Center, a \$45 million project with multiple funding sources; and
- \$227 million in FY 2013 for statewide road and bridge projects, including a state match to \$415 million in federal funds; and
- Funding for the relocation of inmates at the Middlesex Sheriff facility located in the Edward J. Sullivan Courthouse in Cambridge, which will allow for the closure and redevelopment of this property; and
- Funding awards for MassWorks public infrastructure projects which currently includes:
  - Construction of the new MBTA station at Assembly Square;
  - Reconstruction of Acushnet Avenue in New Bedford; and
  - Roadway infrastructure to support the redevelopment of the Ludlow Mills,
  - Roadway and utility improvements to strengthen security for the entry way of the US Army Natick Soldier Systems Center (NSSC), and many others.
- I-Cubed projects at Assembly Square in Somerville and Fan Pier in Boston which are expected to leverage \$1 billion in private investment and create over 1,000 construction and 2,000 permanent jobs; and
- \$29 million in FY 2013 for the development of the New Bedford Marine Commerce Terminal, a unique seaport facility which will provide a staging ground for the development of offshore wind and spur hundreds of jobs on the South Coast of the Commonwealth; and
- \$51 million for the Green Line extension project in FY 2013;
- A \$3 million increase in FY 2013 in the Commonwealth’s investment in Public Housing Energy and Water Savings Initiatives which will produce energy, water and/or maintenance cost savings that allow Local Housing Authorities to reduce operating subsidy or reallocate operating dollars to needed preventive maintenance; and
- \$14.6 million in FY 2013 for IT projects to implement health care cost containment and child welfare information initiatives including converting to the federally mandated ICD-10 diagnostic coding system, implementing a new eligibility determination system, completing the federally mandated analysis for the Medicaid Information Architecture and replacing the existing FamilyNet child welfare system

The full five-year Capital Investment Plan can be found at [www.mass.gov/capital](http://www.mass.gov/capital). The charts below show the plan’s investments by major investment categories for each of the five fiscal years covered by the

plan funded only from state bond proceeds or “bond cap” and funded from all anticipated sources of capital funding. Note that FY 13 includes \$93 million in unused capacity from the prior fiscal year. The Administration has conservatively constrained the bond cap in FY 16 and FY 17 at the FY 15 level. Future debt affordability analysis may show sufficient revenue growth to allow increased bond cap in future plans.

**FY2013-2017 Capital Investment Plan**  
Total Bond Cap (In thousands)

	FY13	FY14	FY15	FY16	FY17	Five Year Total	% of 5-Year Total
Community Investments	291,743	285,456	277,117	273,286	273,212	1,400,813	14%
Corrections	37,384	55,350	56,500	63,500	76,500	289,234	3%
Courts	20,170	75,874	127,674	147,674	114,168	485,558	5%
Economic Development	138,240	128,920	138,500	150,000	148,000	703,659	7%
Energy And Environment	167,141	159,329	114,179	86,346	87,346	614,340	6%
Health And Human Services	27,582	37,615	69,575	75,400	102,000	312,172	3%
Higher Education	177,420	259,928	293,172	287,700	281,900	1,300,121	13%
Housing	179,500	169,500	169,500	169,500	169,500	857,500	8%
Information Technology	174,380	101,973	118,822	120,897	119,614	635,685	6%
Public Safety	28,083	37,530	66,780	66,930	51,180	250,503	2%
State Office Buildings	73,553	64,103	72,835	58,951	68,056	337,497	3%
Transportation	652,959	624,423	620,348	624,817	633,525	3,156,072	31%
<b>Total Bond Cap</b>	<b>1,968,155</b>	<b>2,000,000</b>	<b>2,125,000</b>	<b>2,125,000</b>	<b>2,125,000</b>	<b>10,343,155</b>	

**FY13-17 Capital Investment Plan**  
Total All Sources (In thousands)

	FY13	FY14	FY15	FY16	FY17	Five Year Total	% of 5-Year Total
Community Investments	322,719	314,847	304,517	300,286	300,612	1,542,980	9%
Corrections	37,384	55,350	56,500	63,500	76,500	289,234	2%
Courts	20,170	75,874	132,674	162,674	119,168	510,558	3%
Economic Development	188,153	153,920	163,500	175,000	173,000	853,573	5%
Energy And Environment	266,791	287,279	221,129	143,296	132,546	1,051,040	6%
Health And Human Services	30,982	40,000	88,600	103,600	106,000	369,182	2%
Higher Education	247,720	326,071	309,872	290,700	285,400	1,459,763	9%
Housing	179,500	169,500	169,500	169,500	169,500	857,500	5%
Information Technology	236,744	210,945	177,923	177,040	139,811	942,462	6%
Public Safety	39,923	51,730	72,577	66,930	51,180	282,340	2%
State Office Buildings	73,553	64,103	72,835	58,951	68,056	337,497	2%
Transportation	1,630,874	1,776,138	1,686,300	1,647,732	1,430,563	8,171,607	49%
<b>Total Bond Cap</b>	<b>3,274,513</b>	<b>3,525,755</b>	<b>3,455,925</b>	<b>3,359,209</b>	<b>3,052,335</b>	<b>16,667,737</b>	

Many of the projects funded in FY 2013 are multi-year projects with costs that will be incurred in subsequent fiscal years; these projected future costs have been taken into account in making investment category reservations for future years. Projects will evolve and change, and the Executive Office for Administration and Finance (ANF) intends to adjust the capital plan during the fiscal year as circumstances dictate. ANF will also undertake a formal reassessment of capital investment needs to develop an annual update to the five-year capital plan. The Administration plans to update and publish a new five-year capital investment plan with specific projects identified in FY 2014 after the new fiscal year.

**Affordability and Fiscal Responsibility**

The Commonwealth's capital budget is separate and distinct from the annual operating budget. The capital budget is funded mainly by borrowing through the issuance of bonds. Other sources of funding for the capital budget include federal funds, primarily to reimburse transportation infrastructure improvements and other sources of funding available to finance certain capital investment projects.

Because the capital program is funded primarily through bond proceeds, the total size of the capital program is determined primarily by the amount of debt the Commonwealth can afford to issue. Annually, ANF has established what is known as the "bond cap" as an administrative guideline for annual bond issuance in support of the capital program. For the sixth consecutive year, the Patrick-Murray Administration engaged in a rigorous analysis of the state's outstanding debt to determine the affordable level of bond issuance. A complete description of the Administration's debt affordability analysis and policy can be found at <http://www.mass.gov/bb/cap/fy2013/exec/hdebt affordability.htm>.

For purposes of its analysis of existing payment obligations, ANF takes into account both debt service on general obligation bonds and debt service on certain special obligations, contract assistance obligations and certain capital lease payments. Although the Accelerated Bridge Program is being carried out in addition to the regular capital program in order to achieve savings from avoided cost inflation and deferred maintenance and to achieve the other objectives of the program, the debt service resulting from the program is also taken into account within the 8% limit under the debt affordability analysis.

The Administration takes a conservative approach to projecting future budgeted revenues, basing its growth estimate on the lesser of 3% or the actual compound annual growth rate of the Commonwealth's revenues over the last 10 years, which included both economic booms and downturns. ANF models future debt issuance using fiscally conservative assumptions about interest rates, maturities, dates of issuance and market conditions.

The Patrick-Murray Administration intends to limit the total amount of virtually all future bond-funded capital projects to the bond cap. However, there are certain, limited circumstances in which the Administration plans to undertake borrowing outside the bond cap when there is a sound policy justification for doing so. For example, if there are certain projects for which a dedicated stream of new, project-related revenues can be identified to support debt service costs related to those projects.

The debt affordability analysis methodology is based on the Commonwealth's current available financing resources and mechanisms. Changes in financing structures and resources in the future may impact how the Administration examines the administrative bond cap and the state's capacity for additional borrowing. The Administration revisits the debt capacity and affordability analysis every year, revising its estimates for future years by taking into account fluctuations in interest rates, budgeted revenues and other changes impacting the Commonwealth's debt capacity. In addition, the Administration will annually assess the appropriateness of the methodology and constraints for establishing the bond cap described above. The complete Debt Affordability Analysis can be found online at <http://www.mass.gov/bb/cap/fy2013/exec/hdebt affordability.htm>

### **Impact of Capital Budget on the Operating Budget**

Each year, as part of the annual development of the capital investment plan, the Executive Office for Administration and Finance evaluates the operating budget impacts for all requested projects. This year the Administration has taken steps to better evaluate the impact of capital investments on the operating budget. Starting in FY 13, before investing in new IT projects, a private IT investment consultant will forecast the project's return on investment and long term operating impact.

Every state government capital spending request must show the incremental on-going annual operating costs/savings that are expected to be incurred upon completion of the project. Decisions on whether to

fund the capital projects depend on A&F's assessment of not only the programmatic need for the project, but also the affordability of the related operating costs. The following capital budget construction projects are expected to result in an FY13 operating budget impact that exceeds \$500,000 per year:

- Hampden Sheriff's Department - Western MA Women's Correctional Facility
- New Middlesex Courthouse Project
- Greenfield Trial Court Project
- Worcester Recovery Center and Hospital
- Worcester State University - Wellness Center
- Framingham State University Hemenway Hall Science Center Modernization
- Bridgewater State University - Conant Building Modernization
- UMass Lowell - South Campus Academic Facilities
- Fitchburg State University - Science Facility Modernization
- UMass Amherst - New Academic Classroom Building
- UMass Amherst - New Laboratory Science Building
- UMass Boston - New Integrated Science Building

In addition, for construction projects that are starting study in FY 2013, those studies will project the operating cost impact and will be reported to A&F over the year. When agencies are preparing their annual budget requests during A&F's spending plan process they are asked that the additional operational costs associated with capital projects are reflected in their projected funding requirements.



## ***Debt Affordability Analysis***

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The Patrick-Murray Administration's capital investment program continues to be guided by three key principles: (1) affordability, (2) strategic prioritization of capital investments, and (3) transparency. The Commonwealth faces a backlog of needed capital projects; at the same time, it faces the constraints of a challenging, albeit improving, economic climate and a high debt burden. In light of these challenges, it is as critical as ever that the Commonwealth take a disciplined approach to capital budgeting that is guided by the three principles stated above.

The Patrick-Murray Administration is the first Administration to develop a debt affordability analysis and policy to ensure that the amount of debt issued to fund the capital investment program is kept to affordable levels. The debt affordability analysis is formally updated each year. This report is the Administration's sixth publication of the debt affordability analysis and five-year capital investment plan. With respect to strategic prioritization of capital investments, the Patrick-Murray Administration is the first to engage in a thorough process of reviewing and prioritizing capital investment needs and developing a comprehensive five-year capital investment plan within the fiscal constraints prescribed by the debt affordability analysis and policy. Finally, with respect to transparency, the Administration publishes its debt affordability analysis and its five-year capital investment plan ([www.mass.gov/eoaf](http://www.mass.gov/eoaf)) in order to enhance public understanding of the Commonwealth's capital investment program and thereby improve public discourse and accountability with respect to the capital budget.

This debt affordability analysis addresses the first of the key principles guiding the Administration's approach to capital budgeting – affordability. The debt affordability analysis detailed below represents the analysis published in October 2012. The Administration will continue to update this analysis at least annually to inform its annual capital budgeting process.

In setting the annual administrative bond cap, the Administration has established a policy which sets a cap that will ensure debt service does not exceed 8% of annual budgeted revenues. By keeping total annual debt service within this limit, the Administration will be able to maximize needed capital investments while ensuring that debt service levels remain affordable.

For purposes of constraining growth in debt, the Administration has placed another restriction on its debt capacity model: growth in the annual bond cap for the regular capital program is limited to not more than \$125 million each year (excluding carry forwards of unused bond cap from prior years). This limit will apply even if in some years the actual revenue growth projection provides capacity to issue a greater amount of debt. This additional constraint ensures stable and manageable growth and avoids taking on an unaffordable long-term debt burden on the basis of unusually robust short-term revenue growth.

In addition to reflecting the current fiscal environment, it is important that the debt affordability analysis continue to be based in part on longer-term, historic trends rather than simply being reactive to current economic conditions. Trends reflecting experience over time are particularly relevant in the context of evaluating the affordability of long-term debt issued to fund investments in long-lived capital assets pursuant to a multi-year capital investment plan.

This debt affordability analysis is consistent with the basic analytical approach presented in the debt affordability analyses published previously. All of the underlying assumptions have been reviewed and, where appropriate, updated to reflect new information and revised outlooks.

Based on the debt affordability analysis and policy, the Administration has set the annual borrowing limit - or "administrative bond cap" – to fund the Commonwealth's regular capital budget for fiscal year 2013 at \$1.875 billion. This is the same bond cap level for fiscal year 2013 that was projected in the five-year capital investment plan published in November 2011. The Administration has conservatively

constrained the bond cap in FY16 and FY17 at the FY15 level. Future debt affordability analysis may show sufficient revenue growth to allow increased bond cap in future plans. The planned bond cap levels for fiscal years 2013 through 2017, together with the continuation of the planned borrowings for the Accelerated Bridge Program and self-supporting project financings, represent an affordable level of new debt that will allow the Commonwealth to responsibly invest in the general capital infrastructure needs of the state.

## ***Appropriation Recommendations***

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Section 1A - Revenue by Source and Fund.....	4-113
Section 1B -Non-Tax Revenue Summary.....	4-115
Section 1C - Consolidated Transfers.....	4-117
Appropriation Summary.....	4-123
Appropriation Recommendations .....	4-155



THE COMMONWEALTH OF MASSACHUSETTS

In the Year Two Thousand and Thirteen

AN ACT MAKING APPROPRIATIONS FOR FISCAL YEAR 2014.

*Whereas*, The deferred operation of this act would tend to defeat its purpose, which is immediately to make appropriations for the fiscal year beginning July 1, 2013, and to make certain changes in law, each of which is immediately necessary to carry out those appropriations or for other important public purposes, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. To provide for the maintenance of the several departments, boards, commissions and institutions and other services, and for certain permanent improvements and to meet certain requirements of law, the sums set forth in sections 2, 2B, 2D, 2E and 3, for the purposes and subject to the conditions specified in sections 2, 2B, 2D, 2E and 3, are hereby appropriated from the General Fund unless specifically designated otherwise, subject to laws regulating the disbursement of public funds for the fiscal year ending June 30, 2014. All sums appropriated under this act, including supplemental and deficiency budgets, shall be expended in a manner reflecting and encouraging a policy of nondiscrimination and equal opportunity for members of minority groups, women and disabled persons. All officials and employees of an agency, board, department, commission or division receiving monies under this act shall take affirmative steps to ensure equality of opportunity in the internal affairs of state government, as well as in their relations with the public, including those persons and organizations doing business with the commonwealth. Each agency, board, department, commission or division, in spending appropriated sums and discharging its statutory responsibilities, shall adopt measures to ensure equal opportunity in the areas of hiring, promotion, demotion or transfer, recruitment, layoff or termination, rates of compensation, in-service or apprenticeship training programs and all terms and conditions of employment.



## Section 1A - Revenue by Source and Fund

SECTION 1A. In accordance with Articles LXIII and CVII of the Amendments to the Constitution and section 6D of chapter 29 of the General Laws, it is hereby declared that the amounts of revenue set forth in this section by source for the respective funds of the commonwealth for the fiscal year ending June 30, 2014 are necessary and sufficient to provide the means to defray the appropriations and expenditures from such funds for this fiscal year as set forth and authorized in sections 2, 2B and 2E. The comptroller shall keep a distinct account of actual receipts from each such source by each such fund to furnish the executive office for administration and finance and the house and senate committees on ways and means with quarterly statements comparing such receipts with the projected receipts set forth in this section and to include a full statement comparing such actual and projected receipts in the annual report for this fiscal year pursuant to section 13 of chapter 7A of the General Laws. The quarterly and annual reports shall also include detailed statements of any other sources of revenue for the budgeted funds in addition to those specified in this section.

### Fiscal Year 2014 Revenue by Source Fund (in Millions)

Source	All Budgeted Funds	General Fund	Commonweal th Transportatio n Fund	Workforce Fund	Other *
<b>Fiscal 2014 Tax Estimate Inclusive of Governor Patrick's Revenue Proposal</b>					
Alcoholic Beverages	78.4	78.4	0.0	0.0	0.0
Cigarettes	443.2	443.2	0.0	0.0	0.0
Corporations	1,795.3	1,795.3	0.0	0.0	0.0
Deeds	188.1	188.1	0.0	0.0	0.0
Estate Inheritance	261.7	261.7	0.0	0.0	0.0
Financial Institutions	57.6	57.6	0.0	0.0	0.0
Income	14,217.8	14,217.8	0.0	0.0	0.0
Insurance	381.9	381.9	0.0	0.0	0.0
Motor Fuels	680.5	0.0	679.6	0.0	0.9
Public Utilities	21.9	21.9	0.0	0.0	0.0
Room Occupancy	134.1	88.1	0.0	46.0	0.0
Sales - Regular	3,396.8	3,168.8	228.0	0.0	0.0
Sales - Meals	862.3	803.3	59.0	0.0	0.0
Sales - Motor Vehicles	623.5	580.6	42.9	0.0	0.0
Miscellaneous	17.0	17.0	0.0	0.0	0.0
Unemployment Insurance Surcharges	21.6	0.0	0.0	0.0	21.6
<b>Total Tax Revenues:</b>	<b>23,181.7</b>	<b>22,103.7</b>	<b>1,009.5</b>	<b>46.0</b>	<b>22.5</b>
Annual State Contribution to the State Pension System	(1,630.0)	(1,630.0)	0.0	0.0	0.0
Sales Tax Dedicated to the MBTA	(799.6)	(799.6)	0.0	0.0	0.0
Sales Tax Dedicated to	(707.8)	(707.8)	0.0	0.0	0.0

FY2014 Governor's Budget Recommendation

Source	All Budgeted Funds	General Fund	Commonwealth Transportation Fund	Workforce Fund	Other *
the SBA					
Workforce Training Trust Fund Transfer	(21.6)	0.0	0.0	0.0	(21.6)
<b>Total Transfers:</b>	<b>(3,159.0)</b>	<b>(3,137.4)</b>	<b>0.0</b>	<b>0.0</b>	<b>(21.6)</b>
<b>Total Taxes Available for Budget</b>	<b>20,022.7</b>	<b>18,966.3</b>	<b>1,009.5</b>	<b>46.0</b>	<b>0.9</b>
<b>Non-Tax Revenue</b>					
Federal Reimbursements	8,611.8	8,606.3	0.0	0.0	0.0
Departmental Revenues	3,475.2	2,922.8	538.1	0.0	7.4
Consolidated Transfers	2,144.3	2,290.7	0.0	0.0	(144.6)
<b>Non-Tax Revenue Total</b>	<b>14,231.3</b>	<b>13,819.8</b>	<b>538.1</b>	<b>0.0</b>	<b>(137.2)</b>
<b>Grand Total</b>	<b>34,254.0</b>	<b>32,786.1</b>	<b>1,547.6</b>	<b>46.0</b>	<b>(136.3)</b>

\* Includes \$21.6 million for the Workforce Training Fund and \$0.9 million for the Inland Fisheries and Game Fund.

## Section 1B -Non-Tax Revenue Summary

SECTION 1C. This subset of non-tax revenues comes in the form of consolidated transfers. Throughout the fiscal year there are a number of transfers between and among budgeted and non-budgeted funds. The following detail the budgetary impact of these sources and uses of funds.

### FY2014 Consolidated Transfers

SOURCES / USES	Department	Amount
<b>Sources</b>		
Lottery Distributions & Reimbursements to the General Fund	Lottery	1,042,749,427
Transfer into the General Fund from the Stabilization Fund		400,000,000
General Fund Fringe Revenue	Comptroller	294,176,067
Master Settlement Tobacco Revenues	Comptroller	253,627,919
Settlements and Judgements to the Stabilization Fund		125,000,000
Employer Responsibility Assessment		94,000,000
Gaming Licensing Revenue to Gaming Funds		83,100,000
Unclaimed Property	Treasurer	82,339,707
Trust Fund Sweep		46,000,000
Indirect Revenues	Comptroller	37,000,000
Capital Gains Tax Revenue Deposit to the Stabilization Fund		37,000,000
Division of Industrial Accidents Reimbursement	Workforce Development	23,128,161
Federal Payment for Pension Costs	Treasurer	20,445,523
Stabilization Fund Repayment from Gaming Licensing Proceeds		20,000,000
Contingency Based Revenues	Comptroller	18,375,000
Transfer into General Fund of Stabilization Fund Investment		5,650,000
Reimbursement for License Plate Costs	Dept. of Correction	3,011,122
Local Housing Authority Debt Service Reimbursement	Housing & Community Development	2,602,560
DOR Settlements Offset		2,000,000
Lottery Transfer for Gamblers Treatment Program	Public Health	1,270,000
Personal Needs Allowance Recoveries	Health & Human Services	1,000,000
Debt Collection Contract Receipts	Comptroller	360,000
Senior Citizen Hunting License Fees	Fish and Game	130,000
<b>Total Sources</b>		<b>2,592,965,486</b>
<b>Uses</b>		
Transfer Out of the Stabilization Fund to the General Fund		-403,700,000
Capital Gains Tax Revenue Deposit to the Stabilization Fund		-37,000,000

## FY2014 Governor's Budget Recommendation

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Transfer into General Fund of Stabilization Fund Investment	-5,650,000
Fringe Revenue Offset: Inland Fisheries and Game Fund	-1,939,000
Fringe Revenue Offset: Massachusetts Tourism Fund	-356,000
<b>Total Uses</b>	<b>-448,645,000</b>
<b>GRAND TOTAL</b>	<b>2,144,320,486</b>

## **Section 1C - Consolidated Transfers**

SECTION 1C. This subset of non-tax revenues comes in the form of consolidated transfers. Throughout the fiscal year there are a number of transfers between and among budgeted and non-budgeted funds. The following detail the budgetary impact of these sources and uses of funds.

### **FY2014 Consolidated Transfers**

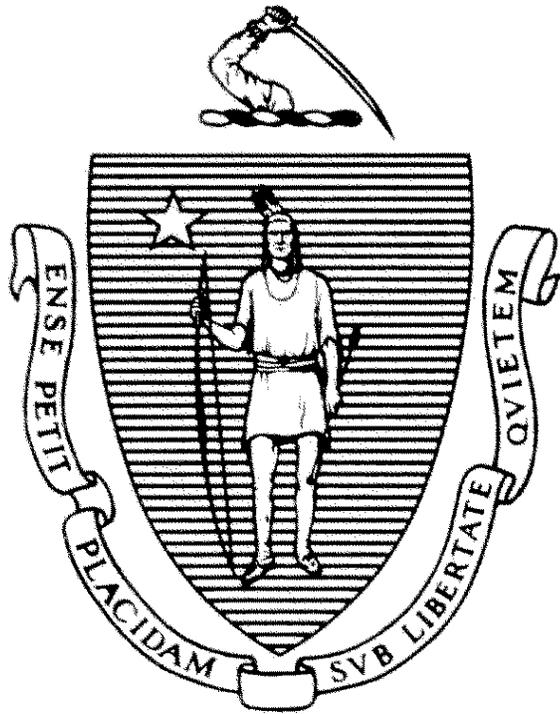
<b>SOURCES / USES</b>	<b>Department</b>	<b>Amount</b>
<b>Sources</b>		
Lottery Distributions & Reimbursements to the General Fund	Lottery	1,042,749,427
Transfer into the General Fund from the Stabilization Fund		400,000,000
General Fund Fringe Revenue	Comptroller	294,176,067
Master Settlement Tobacco Revenues	Comptroller	253,627,919
Settlements and Judgements to the Stabilization Fund		125,000,000
Employer Responsibility Assessment		94,000,000
Gaming Licensing Revenue to Gaming Funds		83,100,000
Unclaimed Property	Treasurer	82,339,707
Trust Fund Sweep		46,000,000
Indirect Revenues	Comptroller	37,000,000
Capital Gains Tax Revenue Deposit to the Stabilization Fund		37,000,000
Division of Industrial Accidents Reimbursement	Workforce Development	23,128,161
Federal Payment for Pension Costs	Treasurer	20,445,523
Stabilization Fund Repayment from Gaming Licensing Proceeds		20,000,000
Contingency Based Revenues	Comptroller	18,375,000
Transfer into General Fund of Stabilization Fund Investment		5,650,000
Reimbursement for License Plate Costs	Dept. of Correction	3,011,122
Local Housing Authority Debt Service Reimbursement	Housing & Community Development	2,602,560
DOR Settlements Offset		2,000,000
Lottery Transfer for Gamblers Treatment Program	Public Health	1,270,000
Personal Needs Allowance Recoveries	Health & Human Services	1,000,000
Debt Collection Contract Receipts	Comptroller	360,000
Senior Citizen Hunting License Fees	Fish and Game	130,000
<b>Total Sources</b>		<b>2,592,965,486</b>
<b>Uses</b>		
Transfer Out of the Stabilization Fund to the General Fund		-403,700,000
Capital Gains Tax Revenue Deposit to the Stabilization Fund		-37,000,000

## FY2014 Governor's Budget Recommendation

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Transfer into General Fund of Stabilization Fund Investment	-5,650,000
Fringe Revenue Offset: Inland Fisheries and Game Fund	-1,939,000
Fringe Revenue Offset: Massachusetts Tourism Fund	-356,000
<b>Total Uses</b>	<b>-448,645,000</b>
<b>GRAND TOTAL</b>	<b>2,144,320,486</b>

# Fiscal Year 2014 Budget Recommendation



## Sections 2, 2B and 2D Appropriation Recommendations



## SECTION 2.

SECTION 2B. Notwithstanding any general or special law to the contrary, the agencies listed in this section may expend the amounts listed in this section for the provision of services to agencies listed in section 2. All expenditures made pursuant to this section shall be accompanied by a corresponding transfer of funds from an account listed in section 2 to the Intragovernmental Service Fund, established by section 2Q of chapter 29 of the General Laws. All revenues and other inflows shall be based on rates published by the seller agency that are developed in accordance with cost principles established by the United States Office of Management and Budget Circular A-87, "Cost Principles for State, Local and Indian Tribal Governments." All rates shall be published within 30 days of the enactment of this section. No expenditures shall be made from the Intragovernmental Service Fund, which would cause that fund to be in deficit at the close of fiscal year 2014. All authorizations in this section shall be charged to the Intragovernmental Service Fund and shall not be subject to section 5D of chapter 29 of the General Laws. Any balance remaining in that fund at the close of fiscal year 2014 shall be transferred to the General Fund.

SECTION 2D. The amounts set forth in this section are appropriated from the General Federal Grants Fund. Federal funds received in excess of the amount appropriated in this section shall be expended only in accordance with section 6B of chapter 29 of the General Laws. The amount of any unexpended balance of federal grant funds received before June 30, 2013, and not included as part of an appropriation item in this section, is hereby made available for expenditure during fiscal year 2014, in addition to any amount appropriated in this section.



## Appropriation Summary

### FY 2014 Budget Recommendations

The tables in this section provide brief information on the Governor's line-item and budget language recommendations for FY2014. Complete recommendations, including all budget legislation, agency mission statements, state workforce levels and other similar types of information, are provided in Volume 2 of the Governor's budget, which can be access online at [www.mass.gov/budget](http://www.mass.gov/budget).

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
0320-0003	Supreme Judicial Court	6,485,312	6,327,556	8,140,508	
0320-0010	Suffolk County Supreme Judicial Court Clerk's Office	1,059,649	1,086,898	1,338,182	
0320-1700	State Court Improvement Program	230,000	0	0	
0320-1703	State Court Improvement Training Program	190,000	0	0	
0321-0001	Commission on Judicial Conduct	455,086	407,422	610,138	
0321-0100	Board of Bar Examiners	454,987	439,700	1,093,734	
0321-1500	Committee for Public Counsel Services	4,466,406	4,475,882	46,305,776	
0321-1520	Indigent Persons Fees and Court Costs	181,542	91,438	10,540,369	Increased funding to support projected costs.
0321-2000	Mental Health Legal Advisors Committee	696,656	690,050	862,510	
0322-0100	Appeals Court	51,469	51,469	11,875,643	
0330-0300	Administrative Staff	10,677,086	10,677,086	525,541,163	Consolidated with 0331- 0100, 0332-0100, 0333- 0002, 0334-0001, 0335- 0001, 0336-0002, 0337- 0002, 0339-1001, and 0339-1003.
0331-0100	Superior Court	28,369,158	28,888,738	0	Transferred to 0330- 0300.
0332-0100	District Court	59,821,946	58,439,951	0	Transferred to 0330- 0300.
0333-0002	Probate and Family Court	26,092,640	26,255,079	0	Transferred to 0330- 0300.
0334-0001	Land Court	2,973,811	3,203,988	0	Transferred to 0330- 0300.
0335-0001	Boston Municipal Court	9,188,111	12,187,401	0	Transferred to 0330- 0300.
0336-0002	Housing Court	6,680,497	6,915,041	0	Transferred to 0330- 0300.
0337-0002	Juvenile Court	15,980,039	16,336,433	0	Transferred to 0330- 0300.
0339-1001	Commissioner of Probation	123,420,055	123,302,810	0	Transferred to 0330- 0300.

## FY2014 Governor's Budget Recommendation

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
0339-1003	Office of Community Corrections	21,105,653	19,849,866	0	Transferred to 0330-0300.
0339-2100	Jury Commissioner	23,757	23,757	2,912,263	Increased funding to support projected costs.
0340-0100	Suffolk District Attorney	4,160	4,160	17,108,449	
0340-0198	Suffolk District Attorney State Police Overtime	354,303	350,760	357,775	
0340-0200	Northern (Middlesex) District Attorney	177,648	177,648	14,593,614	
0340-0298	Middlesex District Attorney State Police Overtime	516,485	511,320	521,547	
0340-0398	Eastern DA State Police OT	504,351	499,307	509,293	
0340-0400	Middle (Worcester) District Attorney	16,475	22,980	9,671,119	
0340-0500	Hampden District Attorney	252,459	60,000	8,530,229	
0340-0590	Internet Crimes Against Children	10,000	158,073	0	
0340-0598	Hampden District Attorney State Police Overtime	339,899	336,500	343,230	
0340-0600	Northwestern District Attorney	4,066,273	4,089,046	5,314,479	
0340-0800	Plymouth District Attorney	40,556	41,588	7,582,538	
0340-0824	Justice Assistance Grant	32,018	35,765	0	
0340-0825	Justice Assistance Grant Local Solicitation-ARRA	66,054	98,147	0	
0340-0826	Justice Assistance Grant	123,043	147,397	0	
0340-0827	Justice Assistance Grant	114,228	0	0	
0340-0900	Bristol District Attorney	157,909	114,820	7,887,600	
0340-1000	Cape and Islands District Attorney	39,084	-0	3,866,061	
0340-1100	Berkshire District Attorney	296	10	3,765,341	
0340-2100	District Attorneys Association	231,205	545,531	1,676,274	
0340-2117	District Attorney Retention	500,000	0	0	Eliminated FY13 one-time costs.
0340-8908	District Attorneys Wide Area Network	1,786	1,051	1,329,998	
0411-1000	Office of the Governor	652,497	652,497	5,347,441	Eliminated program.
0411-1005	Office of the Child Advocate	284,596	281,585	304,100	
0511-0000	Secretary of the Commonwealth Administration	8,928	3,688	5,970,365	
0511-0001	State House Gift Shop Retained Revenue	15,000	14,850	14,850	
0511-0002	Corporate Dissolution Program	2,837	2,644	250,545	

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
0511-0003	Chargeback for Publications and Computer Library Services	16,000	16,000	0	
0511-0200	State Archives	351,356	328,452	359,333	
0511-0230	State Records Center	20,500	10,382	35,855	
0511-0250	State Archives Facility	1,975	8,864	293,556	
0511-0260	Commonwealth Museum	147,810	161,281	240,130	
0511-0270	Census Data Technical Assistance	90,226	44,800	396,000	
0511-0420	Address Confidentiality Program	79,864	78,935	128,948	
0517-0000	Public Document Printing	310,466	102,045	594,000	
0521-0000	Elections Division Administration	4,724,972	4,889,673	5,170,006	Decreased funding to support projected costs.
0521-0001	Central Voter Registration Computer System	18,450	18,450	5,766,326	
0521-0800	Election Assistance Disabled Individuals	1,107,219	1,107,219	0	
0524-0000	Information to Voters	40,758	198,300	563,729	Decreased funding to support projected costs.
0526-0116	Preserve America Grant	150,000	150,000	0	
0540-0900	Essex Registry of Deeds-Northern District	2,000	2,000	1,075,361	
0540-1000	Essex Registry of Deeds-Southern District	6,400	50,750	2,786,927	
0540-1100	Franklin Registry of Deeds	919	650	605,646	
0540-1200	Hampden Registry of Deeds	1,399,712	1,289,805	1,702,330	
0540-1300	Hampshire Registry of Deeds	414,124	419,417	476,043	
0540-1500	Middlesex Registry of Deeds-Southern District	24,811	14,950	3,012,966	
0540-1600	Berkshire Registry of Deeds-Northern District	4,606	1,500	262,958	
0540-1700	Berkshire Registry of Deeds-Central District	348,665	357,500	427,431	
0540-1800	Berkshire Registry of Deeds-Southern District	3,553	11,240	217,417	
0540-1900	Suffolk Registry of Deeds	13,210	20,500	1,792,781	
0540-2000	Worcester Registry of Deeds-Northern District	301,780	376,067	677,175	
0540-2100	Worcester Registry of Deeds-Worcester District	41,000	49,369	2,182,663	
0610-0000	Office of the Treasurer and Receiver-General	12,810	10,785	9,271,123	
0610-0010	Financial Literacy Programs	38,000	39,540	84,150	
0610-0050	Alcoholic Beverages Control Commission	55,653	50,289	2,324,783	

## FY2014 Governor's Budget Recommendation

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
0610-0051	Alcohol Beverages Control Commission Grant	13,500	0	230,828	Increased appropriation to equal projected retained revenue.
0610-2000	Welcome Home Bill Bonus Payments	617	0	2,776,950	
0611-1000	Bonus Payments to War Veterans	44,500	44,055	44,055	
0612-0105	Public Safety Employees Line of Duty Death Benefits	200,000	396,000	200,000	Decreased funding to meet projected need.
0640-0010	State Lottery Commission - Advertising	4,700,000	4,450,000	4,950,000	
0640-0300	Massachusetts Cultural Council	1,856,570	1,551,977	9,591,595	Increased funding to move off budget spending onto the operating budget.
0640-9724	Youth Reach State and Regional Programs	184,900	0	0	
0699-0005	Revenue Anticipation Notes Premium Debt Service	20,000,000	20,000,000	20,000,000	
0699-0014	Accelerated Bridge Program	50,702,783	50,702,783	56,249,759	Increased funding to meet projected need.
0699-0015	Consolidated Long-Term Debt Service	2,010,444,553	1,968,056,853	2,006,191,904	Increased funding to meet projected need.
0699-0018	Agency Debt Service Programs	6,217,722	6,217,722	0	
0699-2005	Central Artery Tunnel Debt Service	106,001,196	106,001,196	116,227,203	
0699-9100	Short Term Debt Service and Costs of Issuance	34,940	0	30,465,601	Increased funding to meet projected need.
0699-9101	Grant Anticipation Notes Debt Service	13,182,425	13,182,425	5,504,500	Decreased funding to meet projected need.
0710-0100	Division of Local Mandates	12,428	5,269	368,072	
0710-0200	Bureau of Special Investigations	22,673	22,673	1,778,540	
0810-0000	Office of the Attorney General Administration	237,789	237,789	22,028,643	
0810-0009	HUD Special Project	160,000	0	0	
0810-0014	Public Utilities Proceedings Unit	1,496,189	1,472,638	2,337,003	
0810-0201	Insurance Proceedings Unit	7,242	7,242	1,487,019	
0810-0338	Automobile Insurance Fraud Investigation and Prosecution	3,525	3,525	431,089	
0810-0399	Workers' Compensation Fraud Investigation and Prosecution	2,867	3,568	281,612	
0840-0100	Victim and Witness Assistance Board	8,425	5,442	499,774	
0840-0101	Domestic Violence Court Advocacy Program	10,300	7,100	748,463	

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
0840-0109	Victims of Crime Assistance-ARRA	41,568	77,383	0	
0900-0100	State Ethics Commission	22,577	22,560	1,921,788	
0910-0200	Office of the Inspector General	5,094	5,800	2,307,496	Decreased funding to support projected costs.
0910-0210	Public Purchasing and Manager Program Fees Retained Revenue	479,648	594,665	600,000	
0940-0100	Massachusetts Commission Against Discrimination	2,328,240	2,313,782	2,568,237	
0940-0101	Fees and Federal Reimbursement Retained Revenue	114,200	105,300	2,118,911	
0950-0000	Commission on the Status of Women	6,800	6,800	70,686	
0950-0050	GLBT Commission	100,000	100,000	100,000	
1000-0001	Office of the State Comptroller	400	400	8,543,692	
1000-0005	Chargeback for Single State Audit	1,000,000	1,000,000	0	
1000-0008	Chargeback for MMARS	7,930	10,577	0	
1100-1100	Office of the Secretary of Administration and Finance	4,699	3,300	2,851,080	
1100-1201	Commonwealth Performance Accountability and Transparency	15,393	0	408,000	
1100-1700	Administration and Finance IT Costs	17,154,204	22,293,465	32,855,049	Increased funding to support program operations.
1100-1703	Implementation of the Federal Developmental Disabilities Act	1,840,016	0	0	
1102-3199	Office of Facilities Management	5,673,858	5,558,429	10,304,307	
1102-3224	Chargeback for Saltonstall Lease and Occupancy Payments	10,850,911	10,917,734	0	
1102-3226	Chargeback for State Buildings Operation and Maintenance	937,127	1,497,627	0	
1102-3232	Contractor Certification Program Retained Revenue	930	1,000	300,000	
1102-3234	ADA Compliance	75,000	75,000	0	Eliminated FY13 one-time costs.
1102-3309	Bureau of the State House	1,727	1,727	1,958,486	
1106-0064	Caseload and Economic Forecasting Office	4,961	4,968	300,000	Increased funding to meet projected need.
1107-2450	Rehabilitation Services - Client Assistance Program	227,113	0	0	

## FY2014 Governor's Budget Recommendation

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
1107-2501	Disabled Persons Protection Commission	36,532	48,824	2,339,992	
1108-1011	Civil Service Commission	4,810	4,800	441,257	
1108-5100	Group Insurance Commission	23,030	30	2,307,190	Decreased funding to meet projected need.
1108-5200	Group Insurance Premium and Plan Costs	1,220,759,766	1,232,359,766	1,285,728,567	Increased funding to meet obligation. Increase includes funding for new municipal enrollees.
1108-5201	Municipal Partnership Act Implementation Retained Revenue	50,000	50,000	2,500,000	Increased appropriation to equal projected retained revenue.
1108-5400	Retired Municipal Teachers Group Insurance Premiums	68,887,662	51,345,709	61,323,418	Decreased funding to meet projected need.
1108-5500	Group Insurance Dental and Vision Benefits	9,683,370	8,183,370	8,510,936	Decreased funding to support projected costs.
1110-1000	Division of Administrative Law Appeals	15,504	13,782	1,099,104	
1120-4005	George Fingold Library	12,807	12,557	832,605	
1201-0100	Department of Revenue	66,429	43,487	88,268,584	
1201-0126	Plan Services for Unwed Parents in IVD	102,208	36,153	0	
1201-0130	Additional Auditors Retained Revenue	37,661	0	27,938,953	
1201-0160	Child Support Enforcement Division	32,228,036	34,408,348	35,833,101	
1201-0164	Child Support Enforcement Federally Reimbursed Retained Revenue	3,781,229	6,339,168	6,547,280	
1201-0412	Child Support IV-D	232,008	82,277	0	
1231-1000	For the Rate Relief Component of the	500,000	0	0	Eliminated funding to meet projected need.
1232-0100	Underground Storage Tank Reimbursements	13,000,000	26,300,183	19,738,538	Decreased funding to meet projected need.
1232-0200	Underground Storage Tank Administrative Review Board	8,525	0	1,444,826	Decreased funding to meet projected need.
1233-2000	Tax Abatements for Veterans Widows Blind Persons and the Elder	25,038,075	25,038,075	25,038,075	
1233-2400	Reimbursement to Cities in Lieu of Taxes on State Owned Land	26,270,000	26,270,000	26,270,000	
1233-2401	Chapter 40S Education Payments	500,000	500,000	500,000	
1410-0010	Veterans' Services Administration and Operations	2,057,302	2,092,400	2,711,487	
1410-0012	Veterans' Outreach Centers Including Homeless Shelters	2,235	2,755	2,167,611	

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
1410-0015	Women Veterans' Outreach	69,000	68,951	75,218	
1410-0075	Train Vets to Treat Vets	125,000	125,000	125,000	
1410-0250	Assistance to Homeless Veterans	2,520,518	2,520,518	2,520,518	
1410-0300	Annuities to Disabled Veterans Gold Star Parents and Spouses	15,000	15,000	22,614,000	
1410-0400	Veterans' Benefits	44,208,484	42,908,484	48,327,789	Increased funding to meet projected need.
1410-0630	Agawam and Winchendon Veterans' Cemeteries	34,755	41,016	1,100,297	
1595-1067	Delivery System Transformation Initiatives Trust Fund	186,907,667	186,907,667	93,449,470	Half of spending obligation pushed to FY15.
1595-1068	Medical Assistance Trust Fund	394,025,000	565,006,556	392,000,000	Decreased funding to meet obligation.
1595-5819	Commonwealth Care Trust Fund	740,272,286	661,249,148	470,637,393	Reduced funding due to implementation of the Affordable Care Act.
1595-6369	Commonwealth Transportation Fund transfer to the MBTA	160,000,000	160,000,000	326,000,000	Increased funding to support new initiative.
1595-6370	Commonwealth Transportation Fund transfer to Regional Transit	18,500,000	18,500,000	15,000,000	Eliminated FY13 one-time costs.
1599-0024	Agency Auditor Grant Program	625,000	727,650	0	Eliminated funding to meet projected need.
1599-0050	Route 3 North Contract Assistance	1,128,818	0	0	Eliminated funding to meet obligation.
1599-0093	Water Pollution Abatement Trust Contract Assistance	60,467,078	63,035,841	63,035,841	
1599-1300	CPCS Process Evaluation	150,000	150,000	0	Eliminated FY13 one-time costs.
1599-1301	Program Evaluation Reserve	500,000	0	0	Eliminated FY13 one-time costs.
1599-1970	Massachusetts Department of Transportation Contract Assistance	125,000,000	125,000,000	125,000,000	
1599-3100	Chargeback for Unemployment Compensation	34,000,000	34,000,000	0	
1599-3234	South Essex Sewerage District Debt Service Assessment	90,100	87,544	87,486	
1599-3856	Massachusetts IT Center Operational Expenses	500,000	500,000	500,000	
1599-4417	E.J. Collins Jr. Center for Public Management	116,275	294,906	300,000	Decreased funding to meet projected need.
1599-4440	UMASS Collective Bargaining Agreement Costs	23,146,641	0	0	Eliminated FY13 one-time costs.

## FY2014 Governor's Budget Recommendation

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
1599-4441	BHE CBA costs	23,547,366	0	0	Eliminated FY13 one-time costs.
1599-4443	Registeries of Deeds Collective Bargaining Agreement Costs	343,614	0	0	Eliminated FY13 one-time costs.
1599-4444	Collective Bargaining Agreement Costs	5,477,458	2,020,556	9,861,768	Increased funding to meet projected need.
1599-6152	State Retiree Benefits Trust Fund	415,042,237	415,042,237	425,044,755	
1599-6901	Human Service Salary Reserve	20,000,000	20,000,000	0	Eliminated funding due to reform.
1750-0101	Chargeback for Training	11,944	97,930	0	Increased funding to meet projected need.
1750-0102	Civil Service and Physical Abilities Exam Fee Retained Revenue	1,017,822	877,224	2,685,645	Decreased funding to meet projected need.
1750-0105	Chargeback for Workers' Compensation	51,127,851	52,323,958	0	
1750-0106	Chargeback for Workers' Compensation Litigation Unit Services	696,565	699,167	0	
1750-0119	Former County Employees Workers' Compensation	52,057	52,057	52,057	
1750-0300	State Contribution to Union Dental and Vision Insurance	27,758,500	27,758,500	28,737,519	
1750-0600	Chargeback for Human Resources Modernization	3,297,405	0	0	
1750-0601	Chargeback for HRCMS Functionality	663,913	705,033	0	Decreased funding to meet projected need.
1775-0106	Enhanced Vendor Auditing	368,222	414,272	478,371	
1775-0124	Human Services Provider Overbilling Recovery Retained Revenue	415,865	182,940	500,000	
1775-0200	Supplier Diversity Office	20,681	23,100	554,709	
1775-0600	Surplus Sales Retained Revenue	500	286	750,000	
1775-0700	Reprographic Services Retained Revenue	50,000	50,000	53,000	
1775-0800	Chargeback for Purchase Operation and Repair of State Vehicles	5,052,968	6,472,969	0	
1775-1000	Chargeback for Reprographic Services	615,296	161,800	0	
1790-0200	Chargeback for Computer Resources and Services	41,238,085	35,449,437	0	
1790-0300	Vendor Computer Service Fee Retained Revenue	4,432	4,432	554,730	
1790-0350	Springfield Data Center	1,200,000	289,140	4,101,591	Increased funding to support projected costs.

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
1790-0400	Chargeback for Postage Supplies and Equipment	102,932	94,914	0	
2000-0100	Executive Office of Energy and Environmental Affairs Admin	48,555	27,272	5,819,522	
2000-0142	Improving the Massachusetts Ocean Resources Information System	2,000	5,932	0	
2000-1011	Handling Charge Retained Revenue	85,000	85,000	80,000	
2000-1700	Energy and Environment IT Costs	4,212,651	5,258,508	10,406,107	Increased funding to meet projected need.
2000-1701	Chargeback for Energy and Environment IT Costs	16,039	11,246	0	Increased funding to meet projected need.
2000-9701	Outdoor Recreation Projects - Political	800,000	800,000	0	
2030-0013	Joint Enforcement Agreement Between NOAA-OLE-Fisheries	909,257	909,257	0	
2030-0122	Port Security Grant 0122	50,000	20,243	0	
2030-0124	Port Security Grant 4	72,000	0	0	
2030-1000	Environmental Law Enforcement	422,432	422,432	9,423,075	
2030-1001	Environmental Law Enforcement Recruit Class	700,000	574,364	0	Consolidated with 2030-1000 and reduced funding to meet projected need.
2030-1004	Environmental Law Enforcement Private Details Retained Revenue	280,000	295,000	300,000	
2100-0012	Department of Public Utilities Administration	5,647,786	5,600,986	8,449,340	
2100-0013	Transportation Oversight Division	623,934	324,572	359,524	Eliminated funding to meet projected need.
2100-0014	Energy Facilities Siting Board Retained Revenue	5,000	5,000	75,000	Increased funding to meet projected need.
2200-0100	Department of Environmental Protection Administration	105,314	105,314	27,872,469	
2200-0102	Wetlands Permitting Fee Retained Revenue	12,373	8,280	650,151	
2200-0107	Recycling and Solid Waste Master Plan Operations	84,216	84,216	4,375,000	Increased funding to support new initiative.
2200-0109	Compliance and Permitting	46,577	31,839	2,505,305	
2200-9712	Cooperative Agreement Leaking	900,000	0	0	
2200-9724	Superfund Block Grant	900,000	0	0	

## FY2014 Governor's Budget Recommendation

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
2200-9728	Brownfield's Assessment Program Multi-Site Co-op Agreements	225,000	0	0	
2200-9732	Brownfield Support Team Statewide	104,452	147,516	0	
2210-0105	Toxics Use Retained Revenue	6,021	6,021	3,120,893	
2220-2220	Clean Air Act	60,134	60,134	845,168	
2220-2221	Clean Air Act Operating Permit and Compliance Program	1,425,509	1,425,509	1,501,435	
2230-9713	Exchange Network	5,000	0	0	
2230-9714	Exchange Network	90,400	106,714	0	
2230-9757	National Hydrography Database	5,000	39,922	0	
2240-9762	Reimburse Operators Small Water Systems	10,000	63,614	0	
2240-9777	Public Water Supply Supervision Grant	62,000	0	0	
2240-9779	Healthy Communities Grant	30,000	39,235	0	
2250-2000	Safe Drinking Water Act	1,356,057	1,356,057	1,501,876	
2250-9716	Ambient Air Toxics Pilot Project	455,000	5,812	0	
2250-9735	Green House Gas Reporting System	48,510	2,895	0	
2250-9736	Massachusetts Clean Diesel	73,350	0	0	
2250-9738	Airport Lead Ambient	6,700	0	0	
2260-8870	Hazardous Waste Cleanup Program	67,353	67,353	14,199,453	
2260-8872	Brownfields Site Audit Program	1,159,805	1,159,805	1,201,562	
2260-8875	Cape Cod Wastewater Study	350,000	0	0	Eliminated program.
2260-8881	Board of Registration of Hazardous Waste Site Cleanup	8,601	8,601	392,730	
2290-4000	Leaking Underground Storage Tank - ARRA	233,901	61,098	0	
2300-0100	Department of Fish and Game Administration	10,000	0	709,246	
2300-0101	Riverways Protection Restoration and Public Access Promotion	384,194	364,194	566,806	Increased funding to support new initiative.
2300-0116	NRCS Whip Mill River State Hospital Dam	149,832	149,832	0	
2300-0117	Coastal Projects - USFWS Division of Ecological Restoration	70,000	0	0	

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
2300-0179	National Coastal Wetlands Conservation Grant Program	2,000,000	0	0	
2310-0115	Landowner Incentive Program - Tier 1	75,000	0	0	
2310-0117	Chronic Wasting Disease Surveillance	70,000	70,000	0	
2310-0200	Division of Fisheries and Wildlife Administration	7,084,557	7,371,328	11,136,172	
2310-0300	Natural Heritage and Endangered Species Program	147,146	147,988	150,000	
2310-0306	Hunter Safety Program	265,806	274,425	411,864	
2310-0316	Wildlife Habitat Purchase	1,475,000	1,425,000	1,500,000	
2310-0317	Waterfowl Management Program	65,000	65,000	65,000	
2320-0100	Fishing and Boating Access	410,860	394,416	480,556	
2330-0100	Division of Marine Fisheries Administration	71,048	51,522	4,859,377	
2330-0121	Marine Recreational Fishing Fee Retained Revenue	10,000	1,000	217,989	
2330-9222	Clean Vessel	1,100,000	0	0	
2330-9732	ACCSP Implementation Strategic Plan	80,000	0	0	
2330-9738	Red Tide Economic Relief	150,000	80,000	0	
2330-9741	Massachusetts Fisheries Economic Assistance Program	1,000,000	1,000,000	0	
2511-0100	Department of Agricultural Resources Administration	250,000	50,000	4,976,426	Increased funding to meet projected need.
2511-0105	Emergency Food Assistance Program	12,773,033	12,760,000	13,000,000	
2511-3002	Integrated Pest Management Program	955	669	55,446	Eliminated program.
2515-1008	Highly Pathogenic Avian Influenza Surveillance	70,000	0	0	
2800-0100	Department of Conservation and Recreation Administration	6,595	10,727	4,473,480	Increased funding to meet projected need.
2800-0101	Watershed Management Program	425,436	413,010	1,042,010	
2800-0501	DCR Seasonals	112,861	125,402	13,595,578	
2800-9707	National Flood Insurance Program - FEMA Community Assistance	184,000	0	0	
2800-9710	Map Modernization Implementation Year 5 - FEMA	104,000	0	0	

## FY2014 Governor's Budget Recommendation

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
2800-9729	US Department of Education Reconnect Grant	35,398	43,023	0	
2810-0100	State Parks and Recreation	28,528,410	29,508,892	43,899,928	
2810-2041	Department of Conservation and Recreation Retained Revenue	60,424	1,000	14,141,673	
2820-0101	State House Park Rangers	1,340,171	1,348,771	1,562,997	Increased funding to meet projected need.
2820-2000	Streetlighting	5,000	0	3,100,825	
2821-9709	Forestry Planning	1,282,602	0	0	
2821-9711	Rural Fire Prevention and Control	553,936	0	0	
2821-9713	Wildland Urban Interface Fuels Managemnt	205,613	0	0	
2821-9715	Creating Buy Local Model - Stewardship Redesign	197,611	0	0	
2830-9731	Coastal Wetlands Conservation	500,000	0	0	
2840-9709	Waquoit Bay National Estuarine Research	788,780	0	0	
2840-9712	2011 NOAA Grant for Facility Renovations at Waquoit Bay	734,675	0	0	
2850-9702	Transportation and Community Preservation for Mount Greylock	270,426	3,944	0	
3000-0708	FY07 Head Start	175,000	0	0	
3000-1000	Department of Early Education and Care Administration	75,000	143,000	12,844,972	
3000-2000	Access Management	354,000	344,231	7,933,862	Increased funding to support new initiative.
3000-3050	Supportive Child Care	76,630,875	77,033,190	80,227,189	
3000-4050	Temporary Assistance for Needy Family Related Child Care	125,495,740	128,595,740	128,063,499	
3000-4060	Child Care Access	134,436,467	126,675,895	226,697,976	
3000-5000	Grants to Head Start Programs	8,000,000	8,000,000	8,000,000	
3000-5050	State Advisory Council Grant-ARRA	390,506	104,585	0	
3000-5075	Universal Pre-Kindergarten	6,774,979	6,710,011	7,432,383	
3000-6075	Early Childhood Mental Health Consultation Services	1,361	1,361	750,000	
3000-7000	Children's Trust Fund	12,100	12,843	10,483,563	
3000-7050	Services for Infants and Parents	17,630,303	17,459,657	18,164,890	
3000-7070	Reach Out and Read	750,000	750,000	750,000	

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
4000-0005	Safe and Successful Youth Initiative	4,000,000	4,000,000	10,000,000	Increased funding to meet projected need.
4000-0033	Integrate Care for Dual Eligible	167,667	1,782,948	0	
4000-0050	Personal Care Attendant Council	478	350	238,212	
4000-0102	Chargeback for Human Services Transportation	4,609	4,609	0	
4000-0103	Chargeback for Human Services Administration	253,348	331,342	0	Increased funding to support program operations.
4000-0300	EOHHS and MassHealth Administration	13,337,602	14,115,833	90,598,693	
4000-0301	MassHealth Auditing and Utilization Reviews	506,824	506,824	4,416,519	Consolidated with 4000-0309.
4000-0309	MassHealth Field Auditing Taskforce	1,000,000	1,000,000	0	Transferred to 4000-0301.
4000-0320	MassHealth Recoveries from Current and Prior Fiscal Years RR	225,000,000	225,000,000	225,000,000	
4000-0430	MassHealth CommonHealth Plan	73,165,557	88,421,954	96,628,909	Increased funding to meet projected need.
4000-0544	Children's Health Insurance Program Quality Demo Grant	2,666,404	0	0	
4000-0600	MassHealth Senior Care	2,624,194,321	2,624,760,619	2,911,335,505	Increased funding to meet projected need.
4000-0700	MassHealth Fee-for-Service Payments	10,879,994	9,504,236	2,247,826,061	Increased funding to meet projected need.
4000-0870	MassHealth Basic Coverage	178,759,689	172,080,738	180,437,109	
4000-0875	MassHealth Breast and Cervical Cancer Treatment	5,248,099	5,248,099	5,725,199	
4000-0880	MassHealth Family Assistance Plan	213,894,591	216,175,150	227,161,472	
4000-0890	MassHealth Premium Assistance and Insurance Partnership	30,481,392	30,797,377	33,877,115	Increased funding to meet projected need.
4000-0895	Healthy Start Program	15,850,244	15,850,244	14,439,991	
4000-0950	Children's Behavioral Health Initiative	219,078,238	177,272,849	203,237,576	Decreased funding to meet projected need.
4000-0990	Children's Medical Security Plan	13,298,695	13,298,695	13,214,180	
4000-1400	MassHealth HIV Plan	18,744,723	19,744,723	23,693,667	Increased funding to meet projected need.
4000-1405	MassHealth Essential	505,998,456	466,755,623	489,878,244	
4000-1420	Medicare Part D Phased Down Contribution	285,153,027	285,913,499	284,153,027	
4000-1604	Health Care System Reform	735,000	740,448	999,843	Increased funding to meet projected need.

## FY2014 Governor's Budget Recommendation

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
4000-1701	Chargeback for Health and Human Services IT	21,266,846	21,266,846	0	
4000-9058	My Young Child Health Initiative for Local Education Agencies	2,000,000	0	0	
4000-9401	Community Mental Health Services Block Grants	8,810,187	0	0	
4003-0122	Low-Income Citizenship Program	213,000	213,000	1,000,000	Increased funding to meet support program operations.
4003-0801	Targeted Assistance Program	200,000	200,000	0	
4003-0814	Refugee Preventative Health	150,000	0	0	
4100-0060	Center for Health Information and Analysis	5,385,771	3,118,743	24,800,000	Increased funding to support new initiative.
4100-0061	All Payer Claims Database Retained Revenue	4,000,000	3,750,000	4,000,000	
4100-0082	Health Safety Net Claims Migration Retained Revenue	2,000,000	6,000,000	0	Eliminated funding due to reform. Chapter 224 moved the Health Safety Net to EHS.
4100-0360	Health Care Quality and Cost Council Retained Revenue	100,000	100,000	0	Eliminated funding due to reform. Chapter 224 eliminated the Health Care Quality and Cost Council.
4110-1000	Community Services for the Blind	2,481	2,500	4,022,805	
4110-2000	Turning 22 Program and Services	16,784	16,493	11,734,131	
4110-3010	Vocational Rehabilitation for the Blind	90,000	337,962	3,053,118	
4110-3020	Aid to the Blind - Vocational	50,000	0	0	
4110-3028	Supported Employment for Individuals With Disabilities	128,000	128,000	0	
4120-0191	Informed Members Planning and Assessing	168,715	168,715	0	
4120-0511	Social Security Admin Disability Determination Program	46,887,874	0	0	
4120-0761	Recovery Act Independent Living - ARRA	51,967	51,967	0	
4120-1000	Massachusetts Rehabilitation Commission	7,126	0	411,824	
4120-4000	Independent Living Assistance for the Multi Disabled	11,343,087	11,203,167	13,249,881	
4120-4001	Accessible Housing Placement and Registry for Disabled Persons	80,000	80,000	80,000	

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
4120-4010	Turning 22 Program and Services	1,244	857	797,697	
4120-5000	Home Care Services for the Multi Disabled	2,884	2,000	4,280,625	
4125-0100	Massachusetts Commission for the Deaf and Hard of Hearing	58,337	41,284	5,638,374	
4180-0100	Soldiers' Home in Massachusetts Administration and Operations	19,437,615	19,656,015	27,723,177	
4180-1100	License Plate Sales Retained Revenue	144,882	296,991	600,000	Increased appropriation to equal projected retained revenue.
4190-0100	Soldiers' Home in Holyoke Administration and Operations	545,619	385,163	20,728,251	
4190-0101	Holyoke Antenna Retained Revenue	5,000	5,000	5,000	
4190-0102	Pharmacy Co-Payment Fee Retained Revenue	110,000	110,000	110,000	
4190-0300	Holyoke 12 Bed Retained Revenue	509,391	556,027	704,869	
4200-0100	Non-Residential Services for Committed Population	11,955,516	11,955,516	22,967,337	
4200-0200	Residential Services for Detained Population	27,783	27,783	21,738,695	
4200-0600	Department of Youth Services Alternative Lock Up Program	2,039,329	2,039,329	2,100,000	
4400-1000	Dept. of Transitional Assistance Administration & Operation	2,557,912	2,351,893	65,164,826	Transfer from 4400-1001.
4400-1001	Food Stamp Participation Rate Programs	3,097,436	3,097,436	0	Consolidated with 4400-1000 and 4400-1100.
4400-1025	Domestic Violence Specialists	783,739	783,739	892,715	Increased funding to support program operations.
4400-1100	Caseworkers Reserve	1,196,826	774,655	65,425,171	
4400-3064	SNAP Nutrition Education and Obesity Prevention	3,000,000	0	0	
4400-3067	SNAP Employment and Training	1,500,000	-10,584	0	
4400-3068	Reaching Latino Work SNAP Pilot	800	0	0	
4400-9404	McKinney Shelter Plus Care-Continuum of Care	3,400,000	0	0	
4401-1000	Employment Services Program	13,543	13,630	7,403,855	

## FY2014 Governor's Budget Recommendation

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
4403-2000	Transitional Aid to Families with Dependent Children Grant Pmt	315,351,679	315,787,679	313,857,786	
4403-2007	Supplemental Nutritional Program	1,200,000	1,200,000	1,200,000	
4403-2119	Teen Structured Settings Program	138,000	138,000	8,694,318	Increased funding to support projected costs.
4500-1054	Massachusetts Sexual Assault Service Program	198,201	0	0	
4500-1066	2010 Oil and Hazardous Material State Partnership	140,000	0	0	
4510-0020	Food Protection Program Retained Revenue	80,086	0	233,000	Reduced appropriation to equal projected retained revenue.
4510-0025	SEAL Dental Program Retained Revenue	60,000	70,000	889,889	
4510-0100	Public Health Critical Operations and Essential Services	10,302,200	10,258,715	18,756,508	
4510-0108	Chargeback for State Office Pharmacy Services	16,441,443	16,493,718	0	
4510-0109	State Loan Repayment Project	350,000	350,000	0	
4510-0110	Community Health Center Services	349,803	350,000	969,901	
4510-0116	State Primary Care Cooperative Agreement	34,664	34,664	0	
4510-0600	Environmental Health Assessment and Compliance	3,119,549	3,119,549	4,391,414	Increased funding to meet projected need.
4510-0609	Nuclear Regulatory Commission Security Inspections	5,000	0	0	
4510-0615	Nuclear Power Reactor Monitoring Fee Retained Revenue	1,507,668	1,444,422	1,858,947	
4510-0643	Harold Rogers Prescription Drug Monitoring Program	81,587	0	0	
4510-0710	Division of Health Care Quality and Improvement	6,211,406	6,211,406	7,826,326	Increased funding to meet projected need.
4510-0712	Division of Health Care Quality Health Facility Licensing Fee	2,203,499	2,190,622	2,481,081	
4510-0715	Primary Care Center and Loan Forgiveness Program	157,000	157,000	0	Eliminated program.
4510-0716	Academic Detailing Program	500,000	0	0	Eliminated program.
4510-0721	Board of Registration in Nursing	839,255	838,148	911,312	
4510-0722	Board of Registration in Pharmacy	179,391	180,296	1,300,527	Increased funding to meet projected need.

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
4510-0723	Board of Registration in Medicine and Acupuncture	20,708	13,860	1,035,472	
4510-0725	Health Boards of Registration	280,173	280,969	309,547	
4510-0726	Board of Registration in Medicine Fee Retained Revenue	296,410	296,178	300,000	
4510-0790	Regional Emergency Medical Services	931,959	931,959	931,959	
4510-0810	Sexual Assault Nurse Examiner (SANE) and Pediatric SANE Program	15,400	43,190	3,164,124	
4510-3008	ALS Registry	90,000	105,372	-0	Eliminated program.
4510-9055	Assessment and Planning Development for Climate Change	114,523	0	0	
4510-9059	Maintenance Enhancement of the State National Environment	1,076,680	0	0	
4512-0103	HIV/AIDS Prevention Treatment and Services	29,611,314	29,776,958	32,109,847	
4512-0106	HIV/AIDS Drug Program Manufacturer Rebates Retained Revenue	7,500,000	7,500,000	7,500,000	
4512-0177	Enhancing Immunization Systems and Infrastructure Improvements	2,570,827	0	0	
4512-0200	Bureau of Substance Abuse Services	140,500	255,400	83,858,094	
4512-0201	Substance Abuse Step- Down Recovery Services	4,800,000	4,800,000	4,800,000	
4512-0202	Secure Treatment Facilities for Opiate Addiction	2,000,000	2,000,000	2,000,000	
4512-0203	Substance Abuse Family Intervention and Care Pilot	25,000	25,000	1,500,000	
4512-0225	Compulsive Behavior Treatment Program Retained Revenue	1,830,000	1,188,196	1,270,000	Reduced appropriation to equal projected retained revenue.
4512-0500	Dental Health Services	142,023	142,023	1,409,980	
4513-1000	Family Health Services	4,519,517	4,519,618	4,671,059	
4513-1012	WIC Program Manufacturer Rebates Retained Revenue	26,355,000	26,355,000	27,060,000	
4513-1020	Early Intervention Services	27,941,262	27,903,538	26,241,537	
4513-1023	Newborn Hearing Screening Program	59,396	59,416	74,036	
4513-1026	Suicide Prevention and Intervention Program	2,531,261	2,546,067	3,857,550	
4513-1111	Health Promotion and Disease Prevention	241,485	761,521	3,354,315	

## FY2014 Governor's Budget Recommendation

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
4513-1130	Domestic Violence and Sexual Assault Prevention and Treatment	2,274	1,639	5,518,935	
4513-9022	Secondary Conditions Prevention State	305,830	0	0	
4513-9038	Shelter Plus Care - Worcester	319,668	0	0	
4513-9041	Hit Capacity Building Initiative - AIDS Drug Assistance	20,000	20,000	0	
4513-9077	Emergency Medical Services for Children	87,000	0	0	
4513-9088	Helping Hands for Infants and Their Families	475,000	0	0	
4513-9093	Mass Launch	900,000	0	0	
4516-0263	Blood Lead Testing Fee Retained Revenue	122,439	114,943	1,117,101	
4516-1000	State Laboratory and Communicable Disease Control Services	85,720	84,875	12,631,936	
4516-1010	Matching funds for a Federal Emergency Preparedness Grant	733,840	737,366	2,199,961	
4516-1022	State Laboratory Tuberculosis Testing Fee Retained Revenue	15,336	15,000	250,619	
4516-1028	Enhance State and Local Public Health Infrastructure	89,500	0	0	
4518-0200	Vital Records Research Cancer and Community Data	652,056	489,425	675,000	
4518-1000	Procurement of Information for the National Death Index	113,500	0	0	
4518-1002	Massachusetts Death File - Social Security Administration	33,000	0	0	
4518-9034	Core Violence Injury Prevention	582,440	0	0	
4530-9000	Teenage Pregnancy Prevention Services	21,224	24,216	2,382,583	
4570-1502	Infection Prevention Program	257,211	258,829	270,071	
4570-1509	Massachusetts Cardiovascular Disease Prevention	1,144,341	0	0	
4570-1520	Massachusetts Integration of Chronic Disease	2,368,002	0	0	
4570-1526	Demonstrating the Capacity of Comprehensive Cancer Control	189,710	0	0	

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
4570-1530	Massachusetts Integration of Chronic Disease Programs	83,895	0	0	
4570-1537	Massachusetts Integration of Chronic Disease Program	757,121	0	0	
4570-1540	Category B Implementation - Mass Community Transformation	1,505,006	0	0	
4590-0250	School-Based Health Programs	28,371	33,000	11,623,167	
4590-0300	Smoking Prevention and Cessation Programs	8,501	9,932	4,172,622	
4590-0912	Western Massachusetts Hospital Federal Reimbursement Retained	11,409,065	12,150,379	17,688,518	
4590-0913	Shattuck Hospital Private Medical Vendor Retained Revenue	393,802	304,992	499,827	
4590-0915	Public Health Hospitals	45,489	45,934	148,879,167	
4590-0917	Shattuck Hospital Department of Correction Inmate RR	135,256	95,433	4,387,282	
4590-1503	Pediatric Palliative Care	799	862	825,183	
4590-1506	Violence Prevention Grants	1,882	1,368	1,501,178	
4590-1507	Youth At-Risk Matching Grants	7,000	5,000	2,698,500	
4590-2001	Tewksbury Hospital DDS Client Retained Revenue	3,437,342	307,131	3,509,833	
4800-0007	Family Violence Prevention and Services	1,853,844	0	0	
4800-0015	Clinical Support Services and Operations	3,829,368	3,971,072	69,346,589	
4800-0016	Roca Retained Revenue for Cities and Towns	2,000,000	2,000,000	2,000,000	
4800-0030	DCF Local and Regional Management of Services	6,000,000	6,000,000	6,000,000	
4800-0036	Sexual Abuse Intervention Network	1,544	1,544	698,740	
4800-0038	Services for Children and Families	5,979	6,174	252,275,269	
4800-0040	Family Support and Stabilization	44,573,551	44,015,551	45,410,551	
4800-0041	Congregate Care Services	196,935,991	193,128,991	212,967,991	Increased funding to support projected costs.
4800-0091	Child Welfare Training Institute Retained Revenue	111,500	131,500	2,077,119	
4800-1100	Social Workers for Case Management	164,097,927	163,583,762	172,833,758	

## FY2014 Governor's Budget Recommendation

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
4800-1400	Support Services for People at Risk of Domestic Violence	32,026	32,026	21,607,946	
5011-0100	Department of Mental Health Administration and Operations	343,124	310,936	28,075,844	
5012-9121	Projects for Assistance in Transition from Homelessness	1,650,000	0	0	
5012-9164	Data Infrastructure Grant 2011	132,937	-2,937	0	
5042-5000	Child and Adolescent Mental Health Services	266,934	266,934	86,284,967	Increased funding to meet projected need.
5046-0000	Mental Health Services Including Adult Homeless and Emergency	283,078,378	283,964,039	354,162,452	
5046-2000	Statewide Homelessness Support Services	39,048	39,048	20,134,589	
5046-4000	CHOICE Program Retained Revenue	125,000	125,000	125,000	
5055-0000	Forensic Services Program for Mentally Ill Persons	3,023,014	3,173,841	8,321,818	
5095-0015	Inpatient Facilities and Community-Based Mental Health Service	109,658,687	107,028,169	162,625,002	
5911-1003	DDS Service Coordination and Administration	175,954	175,079	64,742,324	
5920-2000	Community Residential Services for the Developmentally Disabled	419,451	563,451	860,298,457	Increased funding to support projected costs.
5920-2010	State Operated Residential Services	11,800,963	12,220,859	191,438,363	
5920-2025	Community Day and Work Programs	133,522,784	133,522,784	161,873,253	Increased funding to meet projected need.
5920-3000	Respite Family Supports for the Developmentally Disabled	49,504,298	49,504,298	49,504,298	
5920-3010	Autism Division	5,119	5,458	4,613,086	
5920-5000	Turning 22 Program and Services	6,000,000	6,000,000	6,000,000	
5930-1000	State Facilities for the Developmentally Disabled	6,126,927	5,365,578	123,069,880	Transferred to 5920-2000, 5920-2010, and 5920-2025.
5947-0012	Lifespan Respite Care Program	77,199	0	0	
5948-0012	Chargeback for Special Education Alternatives	6,500,000	6,500,000	0	
5982-1000	Templeton Farm Product Sales Retained Revenue	118,392	100,000	150,000	
6440-0098	Safety Data Improvement Program	292,651	235,521	0	

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
6642-0018	Nonurbannizd Area Formula Program	7,602,785	0	0	
6642-0020	Job Access and Reverse Commute	4,644,307	0	0	
6642-0049	Special Needs for Elderly Individuals	3,673,448	0	0	
6643-0012	Knowledge Corridor Restore Vermonter Project - ARRA	54,600,000	0	0	
6830-3250	Airport Improvement Program	508,481	0	0	
7000-9101	Board of Library Commissioners	7,537	7,537	1,018,754	
7000-9406	Talking Book Program Watertown	2,400,000	2,400,000	2,400,000	
7000-9506	Library Technology and Automated Resource - Sharing Networks	1,570,000	1,570,000	1,929,238	
7002-0010	Executive Office of Housing and Economic Development	29,387	30,921	452,356	
7002-0017	Housing and Economic Development IT Costs	24,040	16,073	3,052,624	
7002-1645	State Energy Sector Partnership and Training - WIA - ARRA	3,191,346	3,191,346	0	
7002-6624	Unemployment Insurance Administration	70,955,000	4,957,148	0	
7003-0100	Executive Office of Labor and Workforce Development	825,430	823,647	814,468	
7003-0170	Labor and Workforce Development IT Costs	105,779	113,300	301,490	Increased funding to meet projected need.
7003-0171	Chargeback for Labor and Workforce Development IT Costs	19,041,430	19,041,430	0	
7003-0200	Department of Labor Standards	1,108	1,650	2,045,348	
7003-0500	Department of Industrial Accidents	316,600	329,292	19,522,205	
7003-0605	Massachusetts Manufacturing Extension Partnership	500,000	1,225,000	1,575,000	Increased funding to meet projected need.
7003-0803	One Stop Career Centers	6,687	0	4,494,467	
7003-0900	Department of Labor Relations	8,421	7,104	2,015,389	
7003-0901	Arbitration and Mediation Retained Revenue	98,097	52,760	100,000	
7003-1206	Massachusetts Service Alliance	1,625,000	1,337,500	750,000	Decreased funding to meet projected need.
7004-0001	Indian Affairs Commission	104,461	105,241	109,696	

## FY2014 Governor's Budget Recommendation

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
7004-0099	Department of Housing and Community Development Administration	4,080	4,080	6,362,790	Increased funding to meet projected need.
7004-0100	Operation of Homeless Programs	4,999,362	4,937,589	5,835,613	Increased funding to meet projected need.
7004-0102	Homeless Individuals Assistance	40,250,335	40,350,335	40,250,335	
7004-0103	Homeless Family Emer Assist. Shelter Overflow Hotels & Motels	16,636,800	16,636,800	9,978,990	Decreased funding to support projected costs.
7004-0104	Home and Healthy for Good Program	1,400,000	1,400,000	1,400,000	
7004-2030	Weatherization Assistance for Low Income Persons	3,500,000	0	0	
7004-3041	Community Development Block Grants-ARRA	500,000	23,672	0	
7004-3045	Tenancy Preservation Program	350,000	350,000	350,000	
7004-3051	Homelessness Prevention and Rapid Re-Housing Program-ARRA	17,000	-9,431	0	
7004-4314	Service Coordinators Program	350,401	350,401	350,401	
7004-9024	Massachusetts Rental Voucher Program	42,000,000	42,000,000	46,500,000	Increased funding to meet projected need.
7004-9030	Alternative Housing Voucher Program	3,450,000	3,450,000	3,450,000	
7004-9033	Rental Subsidy Program for Department of Mental Health Clients	4,000,000	4,000,000	4,000,000	
7004-9051	Shelter Plus Care Lowell	62,000	36,326	0	
7004-9315	Low-Income Housing Tax Credit Fee Retained Revenue	999,988	999,988	2,535,033	
7004-9316	Residential Assistance for Families in Transition	8,760,000	8,760,000	8,760,000	
7004-9317	Individual Development Account Pilot Program	50,000	0	0	Eliminated FY13 one-time costs.
7006-0000	Office of Consumer Affairs and Business Regulation	5,483	7,830	837,584	
7006-0010	Division of Banks	736,385	728,668	16,043,421	Increased funding to meet projected need.
7006-0011	Loan Originator Administration and Consumer Counseling Program	15,000	40,000	2,650,000	
7006-0020	Division of Insurance	55,572	62,844	12,589,443	
7006-0029	Health Care Access Bureau Assessment	75,000	0	1,100,000	

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
7006-0040	Division of Professional Licensure	47,098	47,098	2,666,201	
7006-0043	Home Improvement Contractors Retained Revenue	22,590	24,495	500,000	
7006-0060	Division of Standards	3,127	3,138	798,857	
7006-0067	Weights and Measures Law Enforcement Fee Retained Revenue	1,119	748	58,751	
7006-0071	Department of Telecommunications and Cable	151,373	160,000	2,974,024	
7006-0140	Payments to Cities and Towns for Local Share of Racing Tax Rev	1,150,000	0	0	Transferred to Gaming Commission
7006-1001	Residential Conservation Service Program	3,831	2,583	224,111	
7006-1003	Department of Energy Resources Assessment	48,571	35,360	3,651,230	
7006-9300	Massachusetts Save Energy Now	501,550	501,550	0	
7006-9303	State Energy Program Advanced Building Energy Codes Project	195,495	31,773	0	
7006-9306	Massachusetts Solar - Making It Ez	115,032	548,431	0	
7006-9730	State Energy Program	605,000	0	0	
7006-9800	US Department of Energy State Energy Program Ramp Up - ARRA	500,000	2,484,600	0	
7006-9801	Energy Assistance Planning - ARRA	8,000	0	0	
7006-9803	Mass Energy Efficiency and Conservation Block Grant - ARRA	500,000	662,623	0	
7007-0300	Massachusetts Office of Business Development	15,102	23,461	1,699,794	
7007-0500	For Massachusetts Biotechnology Research	250,000	250,000	250,000	
7007-0800	Small Business Development Center at UMass	1,254,286	1,254,286	1,204,286	
7007-0801	Microlending	200,000	100,000	0	Eliminated program.
7007-0952	Commonwealth Zoological Corporation	3,600,000	3,550,000	3,500,000	
7008-0900	Massachusetts Office of Travel and Tourism	47,571	12,000	13,376,315	Increased funding to meet projected need.
7008-1000	Local Tourist Councils Financial Assistance	6,000,000	6,000,000	2,000,000	Decreased funding to meet projected need.

## FY2014 Governor's Budget Recommendation

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
7009-1700	Education Information Technology Costs	6,228,074	6,282,458	15,516,857	Increased funding to support program operations.
7009-1701	Chargeback for Education Information Technology Costs	35,640	35,640	0	
7009-7000	Data Sharing	505,000	0	0	Eliminated program.
7010-0012	Programs to Eliminate Racial Imbalance - METCO	18,142,582	18,142,582	18,142,582	
7010-0020	Bay State Reading Institute	400,000	400,000	0	Transferred to 7010-0033.
7010-0033	Literacy Programs	50,000	50,000	3,797,940	Consolidated with 7010-0020.
7010-9706	Common Core Data Project	101,000	289,691	0	
7027-0019	School to Career Connecting Activities	2,830,000	2,819,000	2,846,370	
7027-1004	English Language Acquisition	1,199,732	1,081,682	3,345,312	Increased funding to support new initiative.
7028-0031	School-age in Institutional Schools and Houses of Correction	4,673,148	4,673,148	7,792,343	
7030-1002	Kindergarten Expansion Grants	23,948,947	23,948,947	23,948,947	
7030-1005	Early Intervention Tutorial Literacy	400,000	400,000	400,000	
7035-0005	Homeless Student Transportation	11,300,000	6,050,000	6,050,000	Reduced state subsidy.
7035-0006	Transportation of Pupils - Regional School Districts	45,521,000	44,521,000	44,521,000	
7035-0007	Non-Resident Pupil Transport	250,000	250,000	250,000	
7035-0035	Advanced Placement Math and Science Programs	2,000,000	2,000,000	2,000,000	
7043-1005	Title I - Neglected and Delinquent Children	2,637,259	3,525,271	0	
7043-2001	Teacher and Principal Training and Recruiting	42,463,719	0	0	
7043-2003	Math and Science Partnerships	2,061,460	3,031,149	0	
7043-6501	Education for Homeless Children and Youth	955,551	1,126,293	0	
7044-0020	Project Focus Academy	1,160,000	0	0	
7053-1909	School Lunch Program	5,426,986	5,426,986	5,426,986	
7053-1925	School Breakfast Program	3,213,220	3,269,079	4,121,215	
7053-2126	Temporary Emergency Food Assistance	1,223,434	152,953	0	
7061-0011	FOUNDATION RESERVE ONE TIME ASSISTANCE	3,500,000	1,000,000	0	Eliminated program.

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
7061-0012	Circuit Breaker - Reimbursement for Special Education Resident	46,357	46,357	230,489,222	
7061-0029	Educational Quality and Accountability	10,417	10,417	2,979,388	Increased funding to meet projected need.
7061-0033	Public School Military Mitigation	1,300,000	1,300,000	0	Eliminated state subsidy.
7061-0928	Financial Literacy Program	250,000	250,000	250,000	
7061-9200	Education Technology Program	2,006	2,506	795,441	Decreased funding to meet projected need.
7061-9400	Student and School Assessment	24,841	25,028	24,276,033	
7061-9404	MCAS Low-Scoring Student Support	9,548,122	12,954,303	9,575,175	
7061-9408	Targeted Intervention in Underperforming Schools	40,650	40,650	9,755,007	
7061-9600	Concurrent Enrollment for Disabled Students	461	128	475,000	
7061-9601	Teacher Certification Retained Revenue	15,165	16,000	1,842,712	Increased appropriation to equal projected retained revenue.
7061-9611	After-School and Out-of-School Grants	1,410,000	1,707,311	1,410,000	
7061-9614	Alternative Education Grants	146,140	146,140	146,140	
7061-9619	Franklin Institute of Boston	2	2	1	Decreased funding to meet projected need.
7061-9626	Youth-Build Grants	2,000,000	2,000,000	2,000,000	
7061-9804	Teacher Content Training	12,266	21,736	346,162	
7061-9810	Regionalization Bonus	251,950	251,950	251,950	
7066-0000	Department of Higher Education	1,120,625	620,625	1,922,521	Decreased funding to support projected costs.
7066-0009	New England Board of Higher Education	367,500	184,500	184,500	Eliminated program.
7066-0015	Workforce Development Grants to Community Colleges	1,250,000	1,250,000	6,149,999	Consolidated with 7066-0038, 7066-0050, 7066-1221, and 7070-0065.
7066-0016	Foster Care Financial Aid	1,075,299	1,075,299	1,075,299	
7066-0020	Nursing and Allied Health Education Workforce Development	260,117	160,117	400,000	Increased funding to support new initiative.
7066-0021	Foster Care and Adopted Fee Waiver	2,216,291	3,233,842	3,233,842	Increased funding to meet projected need.
7066-0024	Schools of Excellence	1,400,000	1,300,000	1,370,438	
7066-0025	Performance Management Set Aside	7,500,000	7,224,762	7,500,000	
7066-0035	Science Technology Engineering and Mathematics Pipeline Fund	1,500,000	1,500,000	1,500,000	Eliminated program.

## FY2014 Governor's Budget Recommendation

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
7066-0038	Youth Venture	100,000	0	0	Eliminated state subsidy.
7066-0050	Rapid Response Grants	2,250,000	500,000	0	Transferred to 7066-0015
7066-1221	Community College Workforce Grant Advisory Committee	200,000	100,000	0	Transferred to 7066-0015
7066-1574	Improving Teacher Quality Grants - Sahes	1,600,000	1,600,000	0	
7066-1616	College Access Challenge	1,700,000	1,700,000	0	
7070-0065	Massachusetts State Scholarship Program	54,000	54,000	199,612,481	Increased funding to meet projected need.
7070-0066	High Demand Scholarship Program	3,250,000	2,051,707	0	Transferred to 7066- 0015.
7100-0200	University of Massachusetts	54	54	478,691,873	Eliminated program.
7100-0700	Office of Dispute Resolution Operations	650,000	643,500	643,500	
7110-0100	Fitchburg State University	22,684,336	23,897,985	25,493,273	
7110-6019	FSC - Upward Bound Payroll and Benefits	492,750	492,750	0	
7112-0100	Framingham State University	20,774,530	21,857,238	23,269,775	
7113-0100	MA College of Liberal Arts	12,125,948	12,737,500	13,611,909	Increased funding to meet obligation/support projected costs/support program operations.
7116-0100	Worcester State University	19,314,755	20,537,837	22,050,615	Increased funding to meet projected need.
7116-6270	WOR - National Science Foundation Recovery Act Research Supp.	61,500	61,500	0	
7410-3093	Polymer Building Construction Univ of Massachusetts Amherst	2,711,376	2,711,376	0	
7502-0100	Berkshire Community College	7,988,207	8,162,611	0	Transferred to 7100- 4000.
7503-0100	Bristol Community College	13,885,391	14,352,697	0	Transferred to 7100- 4000.
7503-6555	BRC - Strengthen Institute Program - Title III	370,221	370,721	0	
7503-6557	BRC - TRIO - Talent Search	230,000	-2,658	0	
7503-9714	BRC - Upward Bound Program	334,723	0	0	
7504-0100	Cape Cod Community College	9,823,796	10,042,095	0	Transferred to 7100- 4000.
7505-0100	Greenfield Community College	7,805,889	8,010,303	0	Transferred to 7100- 4000.
7506-0100	Holyoke Community College	16,074,594	16,556,171	0	Transferred to 7100- 4000.
7507-0100	Massachusetts Bay Community College	11,859,106	12,100,705	0	Transferred to 7100- 4000.

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
7508-0100	Massasoit Community College	17,376,153	17,876,153	0	Transferred to 7100-4000.
7509-0100	Mount Wachusett Community College	11,007,508	11,291,296	0	Transferred to 7100-4000.
7509-9714	MWC - Special Services for Disadvantaged	578,485	-2,458	0	
7509-9718	MWC - Talent Search	539,855	0	0	
7510-0100	Northern Essex Community College	16,305,635	16,709,561	0	Transferred to 7100-4000.
7511-0100	North Shore Community College	17,629,906	18,140,501	0	Transferred to 7100-4000.
7511-9740	NSC - Upward Bound	385,000	-5,863	0	
7511-9750	NSC - Talent Search	230,000	0	0	
7512-0100	Quinsigamond Community College	12,980,557	13,452,092	0	Transferred to 7100-4000.
7514-0100	Springfield Technical Community College	21,070,398	21,516,277	0	Transferred to 7100-4000.
7515-0100	Roxbury Community College	9,729,356	9,903,319	0	Transferred to 7100-4000.
7516-0100	Middlesex Community College	17,121,183	17,534,088	0	Transferred to 7100-4000.
7518-0100	Bunker Hill Community College	17,496,631	18,041,307	0	Transferred to 7100-4000.
7518-6127	Bunker Hill Community College College Work Study Program	350,000	395,252	0	
7520-0424	Health and Welfare Reserve for Higher Education Personnel	5,581,664	5,581,664	5,581,664	
8000-0038	Witness Protection Board	94,245	94,245	94,245	
8000-0088	Bulletproof Vest Reimbursement Expendable Trust	300,000	0	0	
8000-0105	Office of the Chief Medical Examiner	211,717	214,899	7,493,682	
8000-0106	State Police Crime Laboratory	186,921	123,941	20,755,463	Increased funding to meet projected need.
8000-0110	Criminal Justice Information Services	1,563,389	1,937,161	2,244,000	
8000-0111	CORI Retained Revenue	5,000	0	3,000,000	
8000-0125	Sex Offender Registry Board	41,207	47,883	3,899,033	
8000-0202	Sexual Assault Evidence Kits	226	239	86,882	
8000-0600	Executive Office of Public Safety	3,650	4,151	2,178,554	
8000-1700	Public Safety Information Technology Costs	13,082,707	12,647,695	22,262,968	Increased funding to meet projected need.

## FY2014 Governor's Budget Recommendation

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
8000-1701	Chargeback for Public Safety Information Technology Costs	10,947,086	0	0	
8000-1800	Mental Health Public Safety Training	125,000	0	0	Eliminated program.
8000-4610	Statistical Analysis Center	60,000	60,000	0	
8000-4619	Title V-Delinquency Prevention	71,000	71,000	0	
8000-4623	Criminal History Improvement	300,000	300,000	0	
8000-4624	State Prisoner Residential Substance	150,000	0	0	
8000-4640	Hampden County Regional Re-Entry Program	50,000	50,000	0	
8000-4696	Transit Security Grant Program	15,000,000	27,439,986	0	
8000-4699	Citizen Corps Program	325,000	0	0	
8000-4706	Emergency Operation Center	125,000	0	0	
8000-4843	Increase Number of Properly Endorsed Mortorcyling	50,000	0	0	
8000-6613	Juvenile Accountability Block Grant Trust	683,000	0	0	
8100-0002	Chargeback for State Police Details	33,009,877	33,077,706	0	Increased appropriation to equal projected retained revenue.
8100-0003	Chargeback for State Police Telecommunications	156,375	156,375	0	
8100-0006	Private Detail Retained Revenue	32,140	33,000	27,500,000	
8100-0018	Federal Reimbursement Retained Revenue	4,298,404	4,345,122	4,501,500	
8100-0020	Telecommunications Access Fee Retained Revenue	35,000	35,000	35,000	
8100-0101	Auto Etching Fee Retained Revenue	108,000	108,000	108,000	
8100-0111	Gang Prevention Grant Program	218	218	6,250,000	
8100-0515	New State Police Class	251,643	228,293	3,930,509	Increased funding to meet projected need.
8100-1001	Department of State Police	3,179,845	3,179,845	258,314,838	
8100-2020	High Priority Seat Belts Federal Motor Carrier Safety Admin	239,700	239,700	0	
8100-2640	Internet Crime Against Children Continuation	355,158	0	0	
8100-2641	National Internet Crime Against Children Data System	686,291	686,291	0	

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
8200-0222	Municipal Recruit Training Program Fee Retained Revenue	9,750	10,909	1,200,000	Increased appropriation to equal projected retained revenue.
8311-1000	Department of Public Safety and Inspections	4,132,677	4,069,516	4,594,435	
8315-1020	Department of Public Safety Inspection and Training	5,281,106	5,010,248	5,996,573	
8315-1025	Building Code Training	16,628	18,771	95,180	
8324-0000	Department of Fire Services Administration	365,058	422,100	16,686,873	
8324-0304	Department of Fire Services Retained Revenue	2,000	1,000	8,000	
8324-1505	National Fire Academy State Fire Training Program	26,000	0	0	
8700-0001	Military Division	1,207,536	1,111,525	9,383,557	
8700-1004	Army National Guard Electronic Security	285,000	0	0	
8700-1010	Army National Guard Anti-Terrorism	100,000	0	0	
8700-1040	Air National Guard Distributed Learning Program	331,780	0	0	
8700-1140	Armory Rental Fee Retained Revenue	3,000	0	1,400,000	
8700-1145	Chargeback for Armory Rentals	54,391	0	0	
8700-1150	National Guard Tuition and Fee Waivers	3,446,314	5,946,362	5,100,000	Increased funding to meet obligation.
8700-1160	Welcome Home Bonus Life Insurance Premium Reimbursement	33,500	33,500	1,361,662	
8800-0048	Flood Mitigation Assistance Program	665,851	0	0	
8800-0064	Hazard Mitigation Grant Program	1,745,672	0	0	
8800-0087	Pre-Disaster Mitigation	3,017,525	0	0	
8800-1643	FY09 Legislative Pre-Disaster Mitigation	109,988	109,988	0	
8800-1644	FY11 Pre-Disaster Mitigation Competitive Projects	1,285,348	0	0	
8800-1645	FY10 Flood Mitigation Assistance Project	65,369	65,369	0	
8800-1813	Disaster Recovery - December 2008 Ice Storm - FEMA	2,907,943	0	0	
8800-3330	Emergency Declaration Protective Measures Hurricane Irene	250,000	3,005,430	0	

## FY2014 Governor's Budget Recommendation

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
8900-0001	Department of Correction Facility Operations	17,769,977	18,469,977	561,527,475	Consolidated with 8900-0001, 8900-0002, and 8900-0050.
8900-0002	Massachusetts Alcohol and Substance Abuse Center	5,000,000	5,000,000	0	Transferred to 8900-0001.
8900-0010	Prison Industries and Farm Services Program	15,000	15,000	3,102,001	
8900-0045	Reimbursement from Housing Federal Inmates Retained Revenue	11,970	12,736	1,000,000	
8900-0050	DOC Fees RR	5,000,000	5,000,000	0	Transferred to 8900-0001.
8900-1100	Re-Entry Programs	363,834	363,834	550,139	
8903-9003	Second Chance Act Family Based Substance Abuse	71,139	79,425	0	
8910-0102	Hampden Sheriff's Department	2,053,668	1,742,356	67,897,128	
8910-0105	Worcester Sheriff's Department	28,783	0	41,484,943	
8910-0107	Middlesex Sheriff's Department	2,943,649	2,943,649	63,043,484	
8910-0108	Franklin Sheriff's Department	590,119	575,000	10,214,962	Increased funding to meet projected need.
8910-0110	Hampshire Sheriff's Department	9,797,516	10,442,489	12,833,986	
8910-0145	Berkshire Sheriff's Department	75,726	75,726	15,650,082	
8910-0160	Reimbursement from Housing Federal Inmates Retained Revenue	600,000	0	850,000	
8910-0188	Reimbursement from Housing Federal Inmates Retained Revenue	39,965	26,574	2,100,000	
8910-0446	Pittsfield Schools Retained Revenue	3,000	3,000	500,000	
8910-0619	Essex Sheriff's Department	16,314	0	47,132,977	
8910-1000	Prison Industries Retained Revenue	5,018	10,500	2,396,673	
8910-1010	Hampden Sheriff Regional Mental Health Stab Unit	905,441	896,387	896,387	
8910-1101	Middlesex Sheriff Mental Health Stab Unit	854,710	845,656	896,387	
8910-1112	Hampshire Regional Lockup Retained Revenue	2,577	1,785	158,248	
8910-6619	Reimbursement from Housing Federal Inmates Retained Revenue	1,750,698	1,770,263	2,000,000	
8910-7110	Massachusetts Sheriffs' Association Operations	226,380	344,790	351,686	

Account	Description	FY2013 GAA	FY2013 Spending	FY2014 House 2	Comment
8910-8200	Barnstable Sheriff's Department	127,324	131,866	24,472,789	
8910-8210	Barnstable Sheriff Federal Reimbursement Retained Revenue	250,000	233,000	250,000	
8910-8300	Bristol Sheriff Department	275,100	310,490	31,059,463	Increased funding to meet projected need.
8910-8310	Bristol Sheriff Department Federal Inmate	1,216,351	1,132,629	9,011,360	
8910-8400	Dukes Sheriff's Department	52,963	54,563	2,695,815	
8910-8600	Norfolk Sheriff's Department	218,534	290,830	28,033,140	Increased funding to meet projected need.
8910-8610	Norfolk Sheriff's Department Federal Inmate	1,484,440	1,717,727	2,500,000	
8910-8700	Plymouth Sheriff's Department	32,430	42,500	34,111,302	Increased funding to meet projected need.
8910-8710	Plymouth Sheriff's Department Federal Inmate	11,330,023	10,620,000	16,000,000	
8910-8800	Suffolk Sheriff's Department	1,795,560	10,566,700	95,594,154	
8910-8810	Suffolk Sheriff's Department Federal Inmate	5,700,000	5,700,000	8,000,000	
8950-0001	Parole Board	26,765	26,765	18,066,925	
8950-0002	Victim and Witness Assistance Program	204,373	204,373	214,959	
8950-0008	Parolee Supervision Fee Retained Revenue	149,387	200,215	600,000	
9110-1174	Nutrition Services Incentive Program	5,525,088	0	0	
9110-1183	Massachusetts Options Counseling Standard Initiative	450,000	76,271	0	
9110-1184	Standard Care for People with Alzheimer's in HC Program	350,000	345,660	0	
9110-1500	Elder Enhanced Home Care Services Program	47,461,487	47,461,487	47,266,383	
9110-1604	Supportive Senior Housing Program	4,014,802	4,014,802	4,150,900	
9110-1630	Elder Home Care Purchased Services	17	879	97,789,789	
9110-1633	Elder Home Care Case Management and Administration	35,712,889	35,713,022	34,666,963	
9110-1636	Elder Protective Services	10,827	10,827	22,063,106	Increased funding to meet projected need.
9110-1700	Elder Homeless Placement	186,000	186,000	186,000	
9110-1900	Elder Nutrition Program	6,258,052	6,258,052	6,375,328	
9110-2500	Veterans' Independence Plus Initiative	750,000	750,000	750,000	

## FY2014 Governor's Budget Recommendation

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<b>Account</b>	<b>Description</b>	<b>FY2013 GAA</b>	<b>FY2013 Spending</b>	<b>FY2014 House 2</b>	<b>Comment</b>
9110-3031	Five Year Plan	267,058	232,798	0	
9110-3100	Nursing Home Diversion Modernization	361,093	361,093	0	
9110-9002	Grants to Councils on Aging	9,433,748	9,216,768	9,216,768	
9500-0000	Senate Operations	686,618	686,618	18,746,058	
9600-0000	House of Representatives Operations	685,774	685,774	38,337,716	
9700-0020	Metropolitan Beaches	125,000	123,750	0	Eliminated program.

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## Appropriation Recommendations

### Statewide Summary

#### Fiscal Year 2014 Resource Summary (\$000)

Government Area	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Administration and Finance	3,770,328	3,625,860	7,396,189	987,606
Education	6,792,454	3,436,029	10,228,483	351,840
Energy and Environmental Affairs	224,011	182,064	406,075	105,630
Health and Human Services	17,881,092	1,788,226	19,669,317	9,230,090
Housing and Economic Development	485,696	533,188	1,018,884	145,971
Independents	3,158,547	813,529	3,972,076	490,532
Judiciary	808,468	940	809,408	117,891
Labor and Workforce Development	42,071	1,067,712	1,109,783	2,582
Legislature	65,374	0	65,374	0
Public Safety	1,007,278	292,605	1,299,883	118,044
Transportation	589,673	1,812,241	2,401,914	536,830
{Consolidated Transfers}	0	0	0	2,144,320
<b>TOTAL</b>	<b>34,824,993</b>	<b>13,552,394</b>	<b>48,377,387</b>	<b>14,231,337</b>

#### Historical Employment Levels

Government Area	June FY2010	June FY2011	June FY2012	Approved FY2013	Projected FY2014
Administration and Finance	2,460	2,378	2,431	2,407	2,437
Education	12,385	13,259	12,861	12,925	12,960
Energy and Environmental Affairs	2,016	1,939	1,928	1,973	1,959
Health and Human Services	19,280	18,975	18,956	19,433	19,218
Housing and Economic Development	693	663	666	690	707
Independents	9,576	9,398	9,373	9,562	9,574
Judiciary	7,387	7,109	7,085	7,230	7,230
Labor and Workforce Development	285	269	262	275	275
Legislature	995	968	952	945	945
Public Safety	8,443	8,259	8,534	8,880	8,962
<b>TOTAL</b>	<b>63,520</b>	<b>63,216</b>	<b>63,049</b>	<b>64,320</b>	<b>64,266</b>

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2014 FTE figures are preliminary and may not represent actual levels.



## Administration and Finance

### Fiscal Year 2014 Resource Summary (\$000)

Department	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Appellate Tax Board	2,217	0	2,217	2,203
Bureau of the State House	2,099	0	2,099	0
Civil Service Commission	441	0	441	15
Department of Revenue	1,163,570	98,220	1,261,789	215,749
Division of Administrative Law Appeals	1,099	0	1,099	45
Division of Capital Asset Management and Maintenance	27,604	30,140	57,744	55,742
George Fingold Library	833	14	847	0
Group Insurance Commission	1,787,271	978,778	2,766,049	687,538
Health Policy Commission	0	32,812	32,812	0
Human Resources Division	33,980	69,778	103,757	3,141
Information Technology Division	7,959	73,738	81,697	565
Massachusetts Developmental Disabilities Council	0	1,963	1,963	0
Massachusetts Office on Disability	652	257	909	0
Office of the Secretary for Administration and Finance	734,668	704,771	1,439,439	4,322
Operational Services Division	7,937	8,808	16,745	15,786
Public Employee Retirement Administration Commission	0	8,555	8,555	0
Teachers Retirement Board	0	1,618,027	1,618,027	2,500
The Health Care Security Trust	0	0	0	0
<b>TOTAL</b>	<b>3,770,328</b>	<b>3,625,860</b>	<b>7,396,189</b>	<b>987,606</b>

### Historical Employment Levels

Department	June FY2010	June FY2011	June FY2012	Approved FY2013	Projected FY2014
Appellate Tax Board	18	18	19	20	20
Bureau of the State House	38	36	33	14	14
Civil Service Commission	5	5	4	4	4
Department of Revenue	1,855	1,794	1,819	1,777	1,802
Division of Administrative Law Appeals	11	10	12	12	12
Division of Capital Asset Management and Maintenance	0	0	2	31	31
George Fingold Library	10	10	10	10	10
Group Insurance Commission	52	49	51	52	55
Human Resources Division	52	48	47	52	54
Information Technology Division	56	50	41	42	42
Massachusetts Office on Disability	9	9	9	9	9
Office of the Secretary for Administration and Finance	313	299	323	319	319
Operational Services Division	41	49	61	64	64
<b>TOTAL</b>	<b>2,460</b>	<b>2,378</b>	<b>2,431</b>	<b>2,407</b>	<b>2,437</b>

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2014 FTE figures are preliminary and may not represent actual levels .

***Appellate Tax Board***

The Appellate Tax Board is a quasi-judicial agency in the executive branch but with reporting requirements to the General Court. It is devoted exclusively to hearing and deciding cases on appeal from any state or local taxing authority. Established in 1929, the Board handles appeals related to virtually all state taxes and excises as well as appeals of local property taxes from all 351 cities and towns of the Commonwealth.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Appellate Tax Board	2,217	0	2,217	2,203

<http://www.mass.gov/atb>

***Budgetary Direct Appropriations*** **1,816,649**

APPELLATE TAX BOARD

1310-1000 For the operation of the appellate tax board 1,816,649

***Retained Revenue*** **400,000**

TAX ASSESSMENT APPEALS FEE RETAINED REVENUE

1310-1001 The appellate tax board may expend for the operation of the board an amount not to exceed \$400,000 from fees collected; provided, that notwithstanding any general or special law to the contrary, in order to accommodate discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 400,000

***Bureau of the State House***

The mission of the Bureau of the State House is to utilize a diverse workforce to carry out the statutory responsibilities of Massachusetts General Laws, Chapter 8, to provide a safe, secure workplace for visitors, assuring that all who enter the State House have a pleasant and welcoming experience.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Bureau of the State House	2,099	0	2,099	0

<http://www.mass.gov/bsb>

***Budgetary Direct Appropriations*** **2,098,507**

STATE HOUSE ACCESSIBILITY

1102-1128 For state house accessibility coordination, including communications access 140,021

to public hearings and meetings; provided, that access shall include interpreter services for the deaf and hard of hearing

BUREAU OF THE STATE HOUSE

1102-3309 For the operation of the bureau of the state house 1,958,486

**Civil Service Commission**

The Civil Service Commission is a quasi-judicial agency whose mission is to hear and decide appeals of public employees under the protection of civil service laws by ensuring that employment decisions are based on the relative ability, knowledge and skills of the public employee and to ensure that all individuals receive fair and impartial treatment.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Civil Service Commission	441	0	441	15

<http://www.mass.gov/csc>

**Budgetary Direct Appropriations** **441,257**

CIVIL SERVICE COMMISSION

1108-1011 For the operation of the civil service commission 441,257

**Department of Revenue**

The mission of the Massachusetts Department of Revenue is to achieve maximum compliance with the tax, child support and municipal finance laws of the Commonwealth. In meeting its mission, the Department is dedicated to enforcing these laws in a fair, impartial and consistent manner by providing professional and courteous service to all customers.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Revenue	1,163,570	98,220	1,261,789	215,749

<http://www.mass.gov/dor>

**Budgetary Direct Appropriations** **1,129,083,614**

DEPARTMENT OF REVENUE

1201-0100 For the operation of the department of revenue, including the tax administration division and the audit of certain foreign corporations; provided, that the department may allocate funds to the office of the attorney general for the purpose of the tax prosecution unit; provided further, that the department may charge item 1201-0160 for the costs of personnel and other support expenses provided to the child support enforcement unit; provided further, that notwithstanding section 1 of chapter 31 of the General Laws, seasonal 88,268,584

positions funded by this account are positions requiring the services of an incumbent, on either a full-time or less than full-time basis beginning no earlier than December 1 and ending no later than November 30; and provided further, that seasonal positions funded by this account may not be filled by an incumbent for more than 10-months within a 12-month period

CHILD SUPPORT ENFORCEMENT DIVISION

1201-0160	For the operation of the child support enforcement division; provided, that the department of revenue may allocate funds to the department of state police, the district courts, the probate and family courts, the district attorneys and other state agencies for the performance of certain child support enforcement activities, and that those agencies are directed to expend the funds for the purposes of this item; provided further, that the federal receipts associated with the child support computer network shall be drawn down at the highest possible rate of reimbursement and deposited into a revolving account to be expended for the network; provided further, that federal receipts associated with child support enforcement grants shall be deposited into a revolving account to be drawn down at the highest possible rate of reimbursement and to be expended for the grant authority; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of the authorization or the most recent revenue estimate, as reported in the state accounting system, for federal incentives and the network in accounts 1201-0161, 1201-0410 and 1201-0412	35,833,101
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EXPERT WITNESSES AND THEIR EXPENSES

1201-0911	For the costs associated with expert witnesses retained by the department of revenue for the purpose of resolving tax disputes; provided, that expenditures from this item shall be the lesser of \$2,000,000 and the amount certified by the secretary of administration and finance under section 156 of chapter 139 of the acts of 2012	2,000,000
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UNDERGROUND STORAGE TANK REIMBURSEMENTS

1232-0100	For underground storage tank reimbursements to parties that have remediated spills of petroleum products pursuant to chapter 21J of the General Laws	19,738,538
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UNDERGROUND STORAGE TANK ADMINISTRATIVE REVIEW BOARD

1232-0200	For the Underground Storage Tank Petroleum Cleanup Fund administrative review board established by section 8 of chapter 21J of the General Laws and for the administration of the underground storage tank program associated with the implementation of said chapter 21J; provided, that notwithstanding section 4 of said chapter 21J or any other general or special law to the contrary, appropriations made in this item shall be sufficient to cover the administrative expenses of the underground storage tank program	1,444,826
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TAX ABATEMENTS FOR VETERANS WIDOWS BLIND PERSONS AND THE ELDER

1233-2000	For the tax abatement program for veterans, widows, blind persons and the elderly; provided, that cities and towns shall be reimbursed for the abatements granted under clauses 17, 22, 22A to E, inclusive, 37, 37A, 41, 41B, 41C, 41C 1/2 and 52 of section 5 of chapter 59 of the General Laws; provided further,	25,038,075
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that the commonwealth shall reimburse each city or town that accepts clauses 41B, 41C or 41C 1/2 for additional costs incurred in determining eligibility of applicants under these clauses in an amount not to exceed \$2 per exemption granted; and provided further, that funds shall be made available from this item for reimbursements to cities and towns for additional exemptions from the motor vehicle excise granted to disabled veterans under the seventh paragraph of section 1 of chapter 60A of the General Laws

UNRESTRICTED GENERAL GOVERNMENT LOCAL AID

1233-2350	For the distribution to cities and towns of the balance of the State Lottery Fund in accordance with clause (c) of the second paragraph of section 35 of chapter 10 of the General Laws, and additional aid to municipalities, as provided for in section 3 of this act General Fund ... 99.06% Local Aid Stabilization Fund ... 0.94%	929,990,490
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REIMBURSEMENT TO CITIES IN LIEU OF TAXES ON STATE OWNED LAND

1233-2400	For reimbursements to cities and towns in lieu of taxes on state-owned land under sections 13 to 17, inclusive, of chapter 58 of the General Laws	26,270,000
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CHAPTER 40S EDUCATION PAYMENTS

1233-2401	For reimbursements to certain cities and towns for additional educational costs pursuant to chapter 40S of the General Laws	500,000
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<b>Federal Grant Spending</b>	<b>222,169</b>
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STATE ACCESS AND VISITATION PROGRAM

1201-0109	For the purposes of a federally funded grant entitled, State Access and Visitation Program	222,169
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<b>Retained Revenue</b>	<b>34,486,233</b>
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ADDITIONAL AUDITORS RETAINED REVENUE

1201-0130	The department of revenue may expend for the operation of the department an amount not to exceed \$27,938,953 from revenues collected by the additional auditors for an enhanced audit program; provided, that those auditors shall discover and identify persons who are delinquent either in the filing of a tax return or the payment of a tax due and payable to the commonwealth, obtain the delinquent returns and collect the delinquent taxes for a prior fiscal year; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	27,938,953
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CHILD SUPPORT ENFORCEMENT FEDERALLY REIMBURSED RETAINED REVENUE

1201-0164	The child support enforcement division of the department of revenue may expend for the operation of the division an amount not to exceed \$6,547,280	6,547,280
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from federal reimbursements; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system

<b><i>Trust Spending</i></b>	<b>97,997,420</b>
HIGHER EDUCATION STUDENT LOAN OFFSET FUND	
1201-0112	34,490
MASSACHUSETTS UNITED STATES OLYMPIC FUND	
1201-0113	99,721
STATE LOW INCOME HOUSING TAX CREDIT	
1201-0129	9,500,000
TAX COLLECTION SERVICES AGREEMENT	
1201-0133	1,686,147
LAWRENCE OVERSEER EXPENDABLE TRUST	
1201-0135	17,558
CHILD SUPPORT ENFORCEMENT REVOLVING FUND	
1201-0161	31,366,562
UNDERGROUND STORAGE TANK PROGRAM EXPENDABLE TRUST	
1201-0201	239,995
IMPLEMENTATION OF HEALTH CARE REFORM BILL EXPENDABLE TRUST	
1201-0350	15,366
CHILD SUPPORT ENFORCEMENT TRUST FUND	
1201-0410	10,757,514
CHILD SUPPORT IV-D	
1201-0412	13,250
DISTRICT LOCAL TECHNICAL ASSISTANCE FUND	
1201-1083	144,421
RETAINED TAX INTERCEPT FEES	

1201-2203		165,730
	INTERNAL REVENUE SERVICE TAX INTERCEPT FEES	
1201-2204		458,440
	MASSACHUSETTS COMMUNITY PRESERVATION TRUST FUND	
1201-2286		27,889,802
	CLEARINGHOUSE EXPENDABLE TRUST	
1201-2448		525,072
	CSE PENALTIES AND INTEREST	
1201-2498		15,043,352
	DIVISION OF LOCAL SERVICES EDUCATIONAL PROGRAMS	
1231-3573		40,000

***Division of Administrative Law Appeals***

The Division of Administrative Law Appeals (DALA) is an independent hearing agency established in 1974 to serve as an independent forum for due process hearings in support of final actions of designated Commonwealth agencies and for appeals of decisions of others. The Bureau of Special Education Appeals (BSEA), a bureau within DALA, provides a broad range of dispute resolution services concerning eligibility, evaluation, placement, individualized education programs (IEPs), special education services and procedural protections for students with disabilities. BSEA's dispute resolution services include mediations, hearings, and providing advisory opinions. Within the last five years, the Bureau has also provided facilitators for school districts' IEP meetings.

	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Division of Administrative Law Appeals	1,099	0	1,099	45

<http://www.mass.gov/dala>

<b><i>Budgetary Direct Appropriations</i></b>	<b>1,099,104</b>
DIVISION OF ADMINISTRATIVE LAW APPEALS	
1110-1000 For the operation of the division of administrative law appeals	1,099,104

***Division of Capital Asset Management and Maintenance***

The mission of the Division of Capital Asset Management and Maintenance is to support our client agencies and the people they serve by providing expertise and innovative solutions in the delivery of strategic integrated facilities management, construction, and real estate services.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Division of Capital Asset Management and Maintenance	27,604	30,140	57,744	55,742

<http://www.mass.gov/cam>

***Budgetary Direct Appropriations*** **10,304,307**

OFFICE OF FACILITIES MANAGEMENT

1102-3199 For the operation of the office of facilities management, including the cost of utilities and associated contracts for properties managed by the division 10,304,307

***Intragovernmental Service Fund*** **14,140,781**

CHARGEBACK FOR SALTONSTALL LEASE AND OCCUPANCY PAYMENTS

1102-3224 For the cost of the Leverett Saltonstall lease and occupancy payments, as provided by chapter 237 of the acts of 2000 11,221,592  
 Intragovernmental Service Fund ... 100%

CHARGEBACK FOR STATE BUILDINGS OPERATION AND MAINTENANCE

1102-3226 For the operation and maintenance of state buildings, including the Hurley state office building occupied by the department of unemployment assistance and the department of career services; provided, that the division may also charge for reimbursement for overtime expenses, materials and contract services purchased in performing renovations and related services for agencies occupying state buildings or for services rendered to approved entities using state facilities 2,919,189

Intragovernmental Service Fund ... 100%

***Retained Revenue*** **17,300,000**

STATE OFFICE BUILDING RENTS RETAINED REVENUE

1102-3205 The division of capital asset management and maintenance may expend for the maintenance and operation of the Massachusetts information technology center, the state transportation building, the Springfield state office building and any other commonwealth-owned building managed by the division an amount not to exceed \$17,000,000 in revenues derived from rentals, commissions, fees and any other sources pertaining to the operations of the facilities; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may 17,000,000

incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system

CONTRACTOR CERTIFICATION PROGRAM RETAINED REVENUE

1102-3232	For the division of capital asset management and maintenance; provided, that the division may expend not more than \$300,000 received from application fees charged in conjunction with the certification of contractors and subcontractors pursuant to section 44D of chapter 149 of the General Laws; provided further, that only expenses, including staffing, incurred to implement and operate the certification program shall be funded from this item; and provided further, that for the purpose of accommodating discrepancies between the receipt of retained revenues and related expenditures, the division may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	300,000
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<b>Trust Spending</b>		<b>15,999,076</b>
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CAPE COD COMMUNITY COLLEGE GREEN BUILDING

1102-0003		20,000
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FRC ENERGY WATER PERFORMANCE TERM COSTS

1102-0029		272,470
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NSC LYNN CAMPUS RENOVATION PROJECT

1102-1965		374,500
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SUFFOLK COUNTY WET CELL CONVERSION EXPENDABLE TRUST

1102-2148		576,000
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REAL PROPERTY AUCTION PROGRAM TRUST

1102-2149		25,000
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FEASIBILITY STUDY FOR UMASS BIOMASS BOILER TRUST

1102-2150		137,000
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UMS CAMPUS MASTER PLANNING INITIATIVE

1102-2173		250,000
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MMA LIBRARY ROOF

1102-2175		500,000
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ENERGY DEMAND REDUCTION PROGRAM TRUST

1102-2494		2,600,000
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ASBESTOS COST RECOVERY TRUST

1102-3266 761,054

UMS BNRI BUILDING STEAM RETROFIT

1102-5122 948,935

MMA - REPURPOSING HURLEY BUILDING

1102-6001 4,000,000

WSC ELY LIBRARY - CAMPUS RENOVATION PROJECT

1102-6014 3,054,000

MAS ENERGY WATER CONTRACT COSTS

1102-6025 660,117

THE CROCKER HALL-BEMENT HOUSE MODERNIZATION STUDY

1102-6914 1,290,000

NEC DEMOLITION OF EXISTING BUILDINGS

1102-8705 530,000

***George Fingold Library***

Since 1826, the State Library of Massachusetts has served as a multifaceted resource for executive personnel, legislators, state employees, researchers and members of the public who want to learn more about local government as well as the Commonwealth's extraordinary historical legacy. The State Library of Massachusetts offers a wide range of resources, services and programs that include access to legislative papers, General Laws of Massachusetts, town atlases, maps, city directories, town reports from around the Commonwealth, exhibits and special events.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
George Fingold Library	833	14	847	0

<http://www.mass.gov/lib>

***Budgetary Direct Appropriations*** **832,605**

GEORGE FINGOLD LIBRARY

1120-4005 For the operation of the state library of Massachusetts 832,605

***Trust Spending*** **14,359**

STATE LIBRARY OF MASSACHUSETTS EXPENDABLE TRUST

1120-4008

14,359

**Group Insurance Commission**

The mission of the Group Insurance Commission (GIC) is to provide high value health insurance and other benefits to state employees, retirees and their survivors and dependents, as well as to housing and certain other authorities. The GIC also provides health-only benefits to participating municipalities' employees, retirees and their survivors and dependents. The agency works with vendors selected through competitive bidding to offer cost-effective services through careful plan design and rigorous ongoing management. The agency's performance goal is to provide affordable, high quality benefits, and as the largest employer purchaser of health insurance in the Commonwealth, use that position to help drive improvements in the entire health care delivery system.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Group Insurance Commission	1,787,271	978,778	2,766,049	687,538

<http://www.mass.gov/gic>

**Budgetary Direct Appropriations**

**1,784,770,866**

GROUP INSURANCE COMMISSION

1108-5100 For the operation of the group insurance commission 2,307,190

HEALTHY WORKFORCE PROGRAMS FOR STATE EMPLOYEES

1108-5101 For the operation of the state employee wellness program 1,500,000

GROUP INSURANCE PREMIUM AND PLAN COSTS

1108-5200 For the commonwealth's share of the group insurance premium and plan costs incurred in fiscal year 2014; provided, that notwithstanding any general or special law to the contrary, funds in this item shall not be available during the accounts payable period of fiscal year 2014, and any unexpended balance in this item shall revert to the General Fund on June 30, 2014; provided further, that the secretary of administration and finance shall charge the division of unemployment assistance and other departments, authorities, agencies and divisions which have federal or other funds allocated to them for this purpose, for that portion of insurance premiums and plan costs as the secretary determines should be borne by such funds, and shall notify the comptroller of the amounts to be transferred, after similar determination, from the several state or other funds and amounts received in payment of all such charges or such transfers shall be credited to the General Fund; provided further, that funds may be expended from this item for the commonwealth's share of group insurance premium and plan costs provided to employees and retirees in prior fiscal years; provided further, that the group insurance commission shall obtain reimbursement for premium and administrative expenses from other agencies and authorities not funded by state appropriation; provided further, that the secretary of administration and finance may charge all agencies for the commonwealth's share of the health 1,285,728,567

insurance costs incurred on behalf of any employees of those agencies who are on leave of absence for a period of more than 1 year; provided further, that the amounts received in payment for the charges shall be credited to the General Fund; provided further, that notwithstanding section 26 of chapter 29 of the General Laws, the commission may negotiate, purchase and execute contracts before July 1 of each year for policies of group insurance as authorized by chapter 32A of the General Laws; provided further, that notwithstanding chapter 150E of the General Laws and as provided in section 8 of said chapter 32A and for the purposes of section 14 of said chapter 32A, the commonwealth's share of the group insurance premiums for state employees who have retired on or before July 1, 1994, shall be 90 per cent and the commonwealth's share of the group insurance premiums for state employees who have retired after July 1, 1994, shall be 85 per cent; provided further, that the commonwealth's share of the group insurance premiums for active state employees hired on or before June 30, 2003 and their dependents shall be 80 per cent; provided further, that the commonwealth's share of the group insurance premiums for active state employees hired after June 30, 2003 and their dependents shall be 75 per cent; provided further, that the commonwealth's share of the group insurance premiums for active state employees who filed an application for retirement on or after August 7, 2009, and on or before October 1, 2009, for a retirement date not later than January 31, 2010, shall be 85 per cent; provided further, that the commonwealth's share of the group insurance premiums for active state employees who file an application for retirement after October 1, 2009, shall be 80 per cent until a different contribution rate is established under said section 8 of said chapter 32A; provided further, that the commission may develop and conduct surveys of member satisfaction; and provided further, that the group insurance commission may pay premium and plan costs for municipal employees and retirees who are enrolled in the group insurance commission's health plans pursuant to the commission's regulations

RETIRED GOVERNMENTAL EMPLOYEES GROUP INSURANCE PREMIUMS

1108-5350	For the cost of group insurance premiums for elderly governmental retirees	356,000
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RETIRED MUNICIPAL TEACHERS GROUP INSURANCE PREMIUMS

1108-5400	For the costs of group insurance premiums for retired municipal teachers and the audit of those premiums	61,323,418
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GROUP INSURANCE DENTAL AND VISION BENEFITS

1108-5500	For the costs, notwithstanding chapter 32A of the General Laws to the contrary, of dental and vision benefits for those active employees of the commonwealth, not including employees of authorities and any other political subdivisions, who are not otherwise provided those benefits under a separate appropriation or the terms of a contract or collective bargaining agreement; provided, that the employees shall pay 15 per cent of the monthly premium established by the commission for the benefits	8,510,936
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STATE RETIREE BENEFITS TRUST FUND

1599-6152	To provide for an operating transfer to the State Retiree Benefits Trust Fund, established pursuant to section 24 of chapter 32A of the General Laws	425,044,755
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<b>Retained Revenue</b>	<b>2,500,000</b>
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MUNICIPAL PARTNERSHIP ACT IMPLEMENTATION RETAINED REVENUE

1108-5201	The group insurance commission may expend for the purposes of administering a program for municipal health coverage as provided under section 19 of chapter 32B of the General Laws, an amount not to exceed \$2,500,000 from revenues received from administrative fees associated with providing the coverage; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of revenues and related expenditures, the group insurance commission may incur expenses and the comptroller may certify for payment the amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	2,500,000
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<b>Trust Spending</b>	<b>978,778,384</b>
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STATE RETIREE BENEFITS TRUST FUND

0612-7723	425,044,755
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OPTIONAL LIFE AND ACCIDENTAL DEATH AND DISMEMBERMENT PLANS INS

1120-2200	4,400,000
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GROUP INSURANCE COMMISSION ASSETS HELD IN TRUST

1120-2500	541,855,569
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ELDERLY GOVERNMENTAL RETIREES HEALTH AND OPTIONAL MEDICARE RAT

1120-3100	156,000
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ELDERLY GOVERNMENT RETIREE CIC AND CIC-OME RATE STABILIZATION

1120-3200	41,000
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GROUP INSURANCE TRUST FUND

1120-3611	60,000
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RETIRED MUNICIPAL TEACHERS HEATH AND OME

1120-4200	5,500,000
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RETIRED MUNICIPAL TEACHERS CIC AND CIC-OME

1120-4300	100,000
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ACCUMULATED NET INTEREST FROM EMPLOYEES' PREMIUMS

1120-5611	1,621,060
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***Health Policy Commission***

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Health Policy Commission	0	32,812	32,812	0

***Trust Spending*** **32,812,500**

HEALTH CARE PAYMENT REFORM TRUST

0850-0000 32,812,500

***Human Resources Division***

The Human Resources Division is a leader in creating and driving HR strategies. We deliver customer-focused tools and solutions to help the Administration, agencies, and municipalities attract, retain and develop a diverse, engaged, high performing workforce.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Human Resources Division	33,980	69,778	103,757	3,141

[www.mass.gov/hrd](http://www.mass.gov/hrd)

***Budgetary Direct Appropriations*** **31,294,222**

HUMAN RESOURCES DIVISION

1750-0100 For the operation of the human resources division 2,504,646

FORMER COUNTY EMPLOYEES WORKERS' COMPENSATION

1750-0119 For payment of workers' compensation benefits to certain former employees of Middlesex and Worcester counties; provided, that the division shall routinely recertify the former employees under current workers' compensation procedures 52,057

STATE CONTRIBUTION TO UNION DENTAL AND VISION INSURANCE

1750-0300 For the commonwealth's contributions in fiscal year 2014 to health and welfare funds established under certain collective bargaining agreements; provided, that the contributions shall be calculated as provided in the applicable collective bargaining agreement and shall be paid to the health and welfare trust funds on a monthly basis or on such other basis as the applicable collective bargaining agreement provides 28,737,519

**Intragovernmental Service Fund**

**69,777,504**

CHARGEBACK FOR TRAINING

1750-0101	<p>For the cost of goods and services rendered in administering training programs, including the cost of training unit staff; provided, that the division shall charge to other items for the cost of participants enrolled in programs sponsored by the division or to state agencies employing these participants; provided further, that the division may collect from participating state agencies a fee sufficient to cover administrative costs of the commonwealth's performance recognition programs and to expend these fees for goods and services rendered in the administration of these programs; provided further, that the division may charge and collect from participating state agencies a fee sufficient to cover administrative costs and expend these fees for goods and services rendered in the administration of information technology services related to the human resources compensation management system program; and provided further, that the division may charge and collect from participating state agencies fees sufficient to cover the costs of shared services</p> <p>Intragovernmental Service Fund ... 100%</p>	222,761
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CHARGEBACK FOR WORKERS' COMPENSATION

1750-0105	<p>For the cost of the commonwealth's workers' compensation program, including the workers' compensation litigation unit; provided, that the secretary of administration and finance shall charge state agencies for workers' compensation costs, including related administrative expenses, incurred on behalf of the employees of those agencies; provided further, that the personnel administrator shall administer those charges on behalf of the secretary and may establish regulations considered necessary to implement this item; provided further, that the personnel administrator shall notify agencies regarding the chargeback methodology to be used in fiscal year 2014 and the amount of their estimated workers' compensation charges and shall require agencies to encumber sufficient funds to meet the estimated charges, including any additional amounts considered necessary under the regulations; provided further, that for any agency that fails within 60 days of the effective date of this act to encumber funds sufficient to meet the estimated charges, the comptroller shall encumber funds on behalf of that agency; provided further, that the personnel administrator shall determine the amount of the actual workers' compensation costs incurred by each agency in the preceding month, including related administrative expenses, notify each agency of those amounts, charge those amounts to each agency's accounts as estimates of the costs to be incurred in the current month, and transfer those amounts to this item; provided further, that any unspent balance in this item as of June 30 of the current fiscal year be re-authorized for expenditure in the next fiscal year; and provided further, that prior year costs for hospital, physician, benefit and other costs may be funded from this item</p> <p>Intragovernmental Service Fund ... 100%</p>	58,603,077
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CHARGEBACK FOR WORKERS' COMPENSATION LITIGATION UNIT SERVICES

1750-0106	<p>For the workers' compensation litigation unit, including the costs of personnel</p> <p>Intragovernmental Service Fund ... 100%</p>	751,667
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CHARGEBACK FOR HUMAN RESOURCES MODERNIZATION

1750-0600	<p>For the cost of core human resources administrative processing functions</p>	3,500,000
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Intragovernmental Service Fund ... 100%

CHARGEBACK FOR HRCMS FUNCTIONALITY

1750-0601     The human resources division may, on behalf of the division, the comptroller's office and the information technology division, charge and collect from participating state agencies a fee sufficient to cover administrative costs and expend such fees for goods and services rendered in the administration of the human resources compensation management system program  
 Intragovernmental Service Fund ... 100%

6,700,000

**Retained Revenue**

**2,685,645**

CIVIL SERVICE AND PHYSICAL ABILITIES EXAM FEE RETAINED REVENUE

1750-0102     The human resources division may expend for the administration of the civil service examination program, examinations for non-civil service positions and implementation of the medical and physical fitness standards program an amount not to exceed \$2,685,645 from fees charged as provided in this item; provided, that the personnel administrator shall collect a fee of not less than \$50 from each applicant for a civil service or non-civil service examination and physical ability test; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system

2,685,645

**Information Technology Division**

The Information Technology Division's (ITD) mission is to support, enable and transform state government through the strategic use of technology to better serve constituents, businesses and local government.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Information Technology Division	7,959	73,738	81,697	565

<http://www.mass.gov/itd>

**Budgetary Direct Appropriations**

**7,394,117**

IT DIVISION

1790-0100     For the operation of the information technology division; provided, that the division shall operate the geographic information system pursuant to subsection (d) of section 4B of chapter 7 of the General Laws; provided further, that the division shall continue a chargeback system for its information technology services, including the operation of the commonwealth's human resources and compensation management system; provided further, that the division shall develop a formula to determine the cost that will be charged to each agency for its use of the human resources and compensation management system; provided further, that the state comptroller shall establish accounts and procedures as he deems appropriate and necessary to

3,292,526

assist in accomplishing the purposes of this item; provided further, that any planned information technology development project or purchase by any agency under the authority of the governor for which the total projected cost exceeds \$200,000, including the cost of any related hardware, software, or consulting fees, and regardless of fiscal year or source of funds, shall be reviewed and approved by the chief information officer before such agency may obligate funds for the project or purchase; provided further, that the chief information officer may establish rules and procedures necessary to implement this item; and provided further, that the division shall file a report with the secretary of administration and finance and the house and senate committees on ways and means not later than December 15, 2013, that shall include, but not be limited to: (a) financial statements detailing savings realized from the consolidation of information technology services within each executive office, (b) the number of personnel assigned to the information technology services within each executive office, (c) efficiencies that have been achieved from the sharing of resources, (d) major accomplishments and business outcomes realized through usage of, and investment in, information technology and (e) the division's intended strategic direction for information technology

SPRINGFIELD DATA CENTER

1790-0350 For the operation of the Springfield data center 4,101,591

**Intragovernmental Service Fund 73,731,509**

CHARGEBACK FOR COMPUTER RESOURCES AND SERVICES

1790-0200 For the cost of computer resources and services provided by the information technology division; provided, that any unspent balance at the close of fiscal year 2014 shall remain in the Intergovernmental Service Fund and may be expended for that item in fiscal year 2015 Intragovernmental Service Fund ... 100% 71,551,608

CHARGEBACK FOR POSTAGE SUPPLIES AND EQUIPMENT

1790-0400 For the purchase, delivery, handling of and contracting for supplies, postage and related equipment and other incidental expenses provided pursuant to section 51 of chapter 30 of the General Laws Intragovernmental Service Fund ... 100% 2,179,901

**Retained Revenue 564,730**

DATA PROCESSING SERVICE FEE RETAINED REVENUE

1790-0151 The information technology division may expend an amount not to exceed \$10,000 from fees charged to entities other than political subdivisions of the commonwealth for the distribution of digital cartographic and other data; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the division may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate as reported in the state accounting system 10,000

VENDOR COMPUTER SERVICE FEE RETAINED REVENUE

1790-0300 For the information technology division which may expend not more than \$554,730 from revenues collected from the provision of computer resources and services to the general public, including the purchase, lease or rental of telecommunications lines, services and equipment; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the division may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 554,730

**Trust Spending 6,500**

COUNTY REGISTERS TECHNOLOGICAL FUND

1790-6602 6,500

**Massachusetts Developmental Disabilities Council**

The mission of the Massachusetts Developmental Disabilities Council is to provide opportunities for people with developmental disabilities and their families to enhance independence, productivity and inclusion.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Massachusetts Developmental Disabilities Council	0	1,963	1,963	0

<http://www.mass.gov/mddc>

**Federal Grant Spending 1,680,614**

IMPLEMENTATION OF THE FEDERAL DEVELOPMENTAL DISABILITIES ACT

1100-1703 For the purposes of a federally funded grant entitled, Implementation of the Federal Developmental Disabilities Act; provided, that in order to qualify for said grant, this account shall be exempt from the first \$315,000 of fringe benefit and indirect cost charges pursuant to Section 6B of Chapter 29 of the General Laws 1,680,614

**Trust Spending 282,250**

DD SUITE EXPENDABLE TRUST

1100-1704 282,250

**Massachusetts Office on Disability**

The Massachusetts Office on Disability (MOD) was created in 1981, under Section 185 of Chapter 6 of the Massachusetts General Laws. MOD's purpose is to bring about full and equal participation of people with disabilities in all aspects of life. MOD works to assure the advancement of legal rights and the promotion of maximum opportunities, supportive services, accommodations and accessibility in a manner that fosters dignity and independence. MOD is the coordinating agency for the Americans with Disabilities Act.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Massachusetts Office on Disability	652	257	909	0

<http://www.mass.gov/mod>

**Budgetary Direct Appropriations 651,834**

MASSACHUSETTS OFFICE ON DISABILITY

1107-2400 For the operation of the office on disability 651,834

**Federal Grant Spending 248,054**

REHABILITATION SERVICES - CLIENT ASSISTANCE PROGRAM

1107-2450 For the purposes of a federally funded grant entitled, Rehabilitation Services - Client Assistance Program 248,054

**Trust Spending 8,750**

DISABILITY AND BUSINESS TECHNICAL ASSISTANCE

1107-2490 8,750

**Office of the Secretary for Administration and Finance**

The Executive Office for Administration and Finance plans and executes fiscal and administrative policies that serve to ensure the financial stability, efficiency and effectiveness of state government.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Office of the Secretary for Administration and Finance	734,668	704,771	1,439,439	4,322

<http://www.mass.gov/eoaf>

**Budgetary Direct Appropriations 734,667,544**

GLBT COMMISSION

## FY2014 Governor's Budget Recommendation

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0950-0050 For the commission on gay and lesbian youth; provided, that funds shall be used to address issues related to the implementation of the state's anti-bullying law as provided in section 37O of chapter 71 of the General Laws 100,000

### OFFICE OF THE SECRETARY OF ADMINISTRATION AND FINANCE

1100-1100 For the operation of the office of the secretary of administration and finance 2,852,080

### COMMONWEALTH PERFORMANCE ACCOUNTABILITY AND TRANSPARENCY

1100-1201 For the operation of the office of commonwealth performance, accountability and transparency; provided, that the activities funded from this item may include, but not be limited to: the implementation and maintenance of a performance management program across executive departments, monitoring and reviewing of federal grant applications to maximize federal revenue opportunities and ensure compliance with federal reporting requirements including the implementation and oversight of the Federal Financial Accountability and Transparency Act, maintaining transparency of the commonwealth's administration and finance activities in compliance with section 14C of chapter 7 of the General Laws and other statewide transparency initiatives, enhancing program integrity and ongoing efforts to prevent fraud, waste and abuse throughout executive departments; provided further, that funds may be expended for performing enhanced economic forecasting and analysis; and provided further, that the unit may develop guidelines and methodologies for agencies to follow in the forecasting of caseloads and revenue 408,000

### ADMINISTRATION AND FINANCE IT COSTS

1100-1700 For the provision of information technology services within the executive office for administration and finance 32,855,049

### STATE FINANCE AND GOVERNANCE BOARD

1100-3500 For the operation of the finance advisory board established by section 97 of chapter 6 of the General Laws 300,000

### CASELOAD AND ECONOMIC FORECASTING OFFICE

1106-0064 For the caseload and economic forecasting office within the commonwealth performance, accountability and transparency office; provided, that the caseload and economic forecasting office shall provide analysis of long-term revenue and budget projections for the long-term fiscal policy framework, analysis of potential gross state product for the health care cost containment legislation, and fiscal impact analysis of major policy proposals and support the development of caseload forecasts for: (1) MassHealth enrollment by group; (2) participation in state subsidized child care provided through items 3000-3050, 3000-4050 and 3000-4060; (3) participation in emergency assistance and housing programs provided through items 7004-0101 and 7004-0108; (4) enrollment, both active member and dependent, in the group insurance commission; (5) recipients of direct benefits provided by the department of transitional assistance through items 4403-2000, 4405-2000 and 4408-1000; provided further, that the office shall report its caseload forecasts to the executive office for administration and finance and the house and senate committees on ways and means not later than December 1, 2013; and provided further, that the office shall submit an updated forecast to the executive office for administration and finance and the house and senate committee on ways and means not later than March 15, 2014 300,000

COMMONWEALTH CARE TRUST FUND

1595-5819 For an operating transfer to the Commonwealth Care Trust Fund, established under section 2000 of chapter 29 of the General Laws; provided, that up to \$30,000,000 shall be transferred from the Commonwealth Care Trust Fund to the Health Safety Net Trust Fund, established under section 36 of chapter 118G of the General Laws; provided further, that the hospital fiscal year 2014 payment amount to each hospital shall be funded by the Health Safety Net Trust Fund; provided further, that payments may be made either as safety net care payments under the commonwealth's section 1115 waiver, or as an adjustment to Title XIX service rate payments, or a combination thereof; provided further, that the executive office of health and human services and the health safety net office may use other federally permissible funding mechanisms available for public service hospitals, as defined by regulations set forth by the center for health information and analysis, to reimburse up to \$70,000,000 of uncompensated care at the hospitals using sources distinct from the funding made available to the Health Safety Net Trust Fund; provided further, that the secretary of administration and finance, in consultation with the secretary of health and human services and the executive director of the commonwealth health insurance connector authority, shall on a quarterly basis evaluate the revenue needs of the health safety net program funded by the Health Safety Net Trust Fund and subsidized health insurance programs funded by the Commonwealth Care Trust Fund, and if necessary, transfer monies between these funds for the purpose of ensuring that sufficient revenues are available to support projected program expenditures; provided further, that the secretary of administration and finance shall report any transfers made between the Health Safety Net Trust Fund and the Commonwealth Care Trust Fund to the house and senate committees on ways and means and the joint committee on healthcare financing within 30 days of the proposed transfer; provided further, that pursuant to section 7A of chapter 176Q, the connector shall provide an annual health insurance wellness subsidy not to exceed 15 per cent of certain health insurance premiums for certain small groups as determined by the commonwealth health insurance connector authority; and provided further, that notwithstanding any general or special law to the contrary, the secretary of administration and finance may make available for the support of the subsidized health insurance programs until June 30, 2015, any amounts that would otherwise revert within the Commonwealth Care Trust Fund that are not needed to support the costs of these programs in fiscal year 2014

470,637,393

MUNICIPAL REGIONALIZATION AND EFFICIENCIES INCENTIVE RESERVE

1599-0026 For a reserve for \$7,000,000 for a multi-year competitive grant program to provide financial support for 1-time or transition costs related to regionalization and other efficiency initiatives, with allowable applicants to include municipalities, regional school districts, school districts, regional planning agencies and councils of government; provided, that funds may be expended by the Edward J. Collins, Jr. Center for Public Management at the University of Massachusetts at Boston's McCormack Graduate School of Policy Studies for a program of performance management, accountability and transparency for local governments; and provided further, that funds may be expended to expand programs that received funding from this item in prior fiscal years

7,000,000

WATER POLLUTION ABATEMENT TRUST CONTRACT ASSISTANCE

1599-0093 For contract assistance to the Water Pollution Abatement Trust for debt service obligations of the trust, under sections 6, 6A and 18 of chapter 29C of

63,035,841

## FY2014 Governor's Budget Recommendation

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the General Laws

### MASSACHUSETTS DEPARTMENT OF TRANSPORTATION CONTRACT ASSISTANCE

1599-1970	For a reserve for the Massachusetts department of transportation for the purpose of defraying costs of the Massachusetts turnpike authority, or its successor, incurred in fiscal year 2014 under section 138 of chapter 27 of the acts of 2009 Commonwealth Transportation Fund ... 100%	125,000,000
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### COMMONWEALTH INFRASTRUCTURE INVESTMENT ASSISTANCE RESERVE

1599-1977	For contract assistance to the Massachusetts development finance agency for payment of debt service and other obligations of the agency in connection with the Massachusetts development finance agency special obligation bonds series 2010A under chapter 293 of the acts of 2006 and chapter 303 of the acts of 2008	3,590,575
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### SOUTH ESSEX SEWERAGE DISTRICT DEBT SERVICE ASSESSMENT

1599-3234	For the commonwealth's South Essex sewerage district debt service assessment	87,486
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### EXECUTIVE BRANCH PERFORMANCE MANAGEMENT

1599-3553	For a reserve to be administered by the office of commonwealth performance accountability and transparency in the executive office for administration and finance; provided, that funds support the establishment of offices of performance management by each secretary in accordance with section 4A of chapter 6A of the General Laws; and provided further, that this reserve shall be used to support executive offices, excluding the executive office of administration and finance, to develop and implement strategic plans and direct performance management programs for the agencies within said executive offices and to identify performance measures for the programs delineated in the program budget presented by the governor as part of the fiscal year 2014 budget recommendation	1,225,000
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### SOCIAL INNOVATION FINANCING

1599-3557	Initial funding for the Social Innovation Trust Fund established under section 35VV of chapter 10 of the General Laws to hold funds in support of pay for success contracts; provided, that per the legislation, these funds are based on expected future payments that will only be distributed upon achieving performance goals under the pay for success contract; and provided further, that the amount represents initial funding for the efforts underway to enter into pay for success contracts associated with juvenile justice and chronic homelessness	7,500,000
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### MASSACHUSETTS IT CENTER OPERATIONAL EXPENSES

1599-3856	For costs associated with operating the Massachusetts information technology center in the city of Chelsea	500,000
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### ADVANCED TECHNOLOGY AND MANUFACTURING CENTER

1599-3857	For capital lease payments from the University of Massachusetts to the Massachusetts development finance agency and for annual operations of the	1,581,922
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advanced technology and manufacturing center in Fall River

E.J. COLLINS JR. CENTER FOR PUBLIC MANAGEMENT

1599-4417	For the Edward J. Collins, Jr. Center for Public Management at the University of Massachusetts, including their work supporting performance management initiatives in state and municipal government	300,000
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SHERIFFS COLLECTIVE BARGAINING AGREEMENT COSTS

1599-4442	For a reserve to meet the fiscal year 2014 costs of salary adjustments and other economic benefits authorized by collective bargaining agreements with the sheriffs that have not yet been ratified by the legislature; provided, that no funds shall be expended from this account prior to ratification of the collective bargaining agreements by the legislature	4,832,431
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COLLECTIVE BARGAINING AGREEMENT COSTS

1599-4444	For a reserve to meet the fiscal year 2014 costs of salary adjustments and other economic benefits authorized by collective bargaining agreements with the executive branch that have not yet been ratified by the legislature; provided, that no funds shall be expended from this account prior to ratification of the collective bargaining agreements by the legislature	9,861,768
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DARTMOUTH/BRISTOL COMMUNITY COLLEGE RESERVE

1599-7104	For a reserve for the facilities costs associated with the college of visual and performing arts at the University of Massachusetts at Dartmouth; provided, that funds may be expended for Bristol Community College	2,700,000
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<b><i>Intragovernmental Service Fund</i></b>	<b>64,270,578</b>
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CHARGEBACK FOR ADMINISTRATION AND FINANCE IT COSTS

1100-1701	For the cost of information technology services provided to agencies of the executive office for administration and finance Intragovernmental Service Fund ... 100%	64,270,578
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<b><i>Trust Spending</i></b>	<b>640,500,595</b>
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ECONOMIC DEVELOPMENT THROUGH INFRASTRUCTURE IMPROVEMENT

1100-1122		57,291
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FEDERAL STIMULUS OVERSIGHT AND ADMINISTRATION-ARRA

1100-1500		148,131
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BOSTON EDISON SETTLEMENT REVENUE

1100-2533		1,628,797
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COMMONWEALTH PERFORMANCE ACCOUNTABILITY AND TRANSPARENCY T

1100-2728	28,983
BOSTON CONVENTION CENTER TRUST	
1599-2221	33,000,000
COMMONWEALTH CARE TRUST FUND	
1599-5819	605,637,393

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***Operational Services Division***

The Operational Services Division (OSD) administers the procurement process by establishing statewide contracts for goods and services that ensure value, provide customer satisfaction and support the socio-economic and environmental goals of the Commonwealth. OSD also provides specific operational services, including the Commonwealth Procurement Access and Solicitation System, Office of Vehicle Management, Surplus Property Program, Supplier Diversity Office, Environmentally Preferable Products (EPP) Procurement Program, Commonwealth Print Services, Special Education Pricing, Purchase-Of-Service Audit and Quality Assurance, Outreach and Training.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Operational Services Division	7,937	8,808	16,745	15,786

<http://www.mass.gov/osd>

***Budgetary Direct Appropriations*** **1,033,080**

ENHANCED VENDOR AUDITING

1775-0106	For the operation of an enhanced vendor auditing unit within the operational services division	478,371
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SUPPLIER DIVERSITY OFFICE

1775-0200	For the operation of the supplier diversity office	554,709
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***Intragovernmental Service Fund*** **8,647,566**

CHARGEBACK FOR PURCHASE OPERATION AND REPAIR OF STATE VEHICLES

1775-0800	For the purchase, operation and repair of vehicles, and for the cost of the operation and maintenance of all vehicles that are leased by other agencies, including the costs of personnel Intragovernmental Service Fund ... 100%	7,647,565
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CHARGEBACK FOR REPROGRAPHIC SERVICES

1775-1000	For the provision of printing, photocopying and related graphic art or design work, including all necessary incidental expenses and liabilities Intragovernmental Service Fund ... 100%	1,000,000
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<b>Retained Revenue</b>		<b>6,904,020</b>
STATEWIDE CONTRACT FEE		
1775-0115	For the operational services division; provided, that the division may expend for the purpose of procuring, managing and administering statewide contracts an amount not to exceed \$5,546,020 from revenue collected from the statewide contract administrative fee; and provided further, that for the purpose of accommodating discrepancies between the receipt of retained revenues and related expenditures, the operational services division may incur expenses including the costs of personnel and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	5,546,020
HUMAN SERVICES PROVIDER OVERBILLING RECOVERY RETAINED REVENUE		
1775-0124	The operational services division may expend for the operation of the division an amount not to exceed \$500,000 from revenue recovered as a result of administrative reviews and the division's audits and reviews of health and human services providers under section 22N of chapter 7 of the General Laws; provided, the division may only retain revenues collected in excess of \$100,000; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	500,000
SURPLUS SALES RETAINED REVENUE		
1775-0600	The operational services division may expend for costs associated with the acquisition, warehousing, allocation and distribution of state surplus personal property and for the purchase of motor vehicles and associated administrative and personnel costs an amount not to exceed \$750,000 from revenues collected from the sale of that property and surplus motor vehicles including, but not limited to, state police vehicles and vehicles from manufacturer warranties, rebates and settlements; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the division may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	750,000
REPROGRAPHIC SERVICES RETAINED REVENUE		
1775-0700	The operational services division may expend for printing, photocopying, related graphic art or design work and other reprographic goods and services provided to the general public an amount not to exceed \$53,000 from fees charged for those goods and services	53,000
FEDERAL SURPLUS PROPERTY RETAINED REVENUE		
1775-0900	For the operational services division; provided, that the division may expend not more than \$55,000 in revenues collected from the sale of federal surplus property	55,000

**Trust Spending 160,594**

STATEWIDE TRAINING AND RESOURCE EXPOSITION

1775-0120 152,724

UNIFORM FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

1775-0123 6,570

UNIFIED CERTIFICATION PROGRAM TRUST

1775-2220 1,300

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**Public Employee Retirement Administration Commission**

The Public Employee Retirement Administration Commission (PERAC) was created for and is dedicated to the oversight, guidance, monitoring and regulation of the Massachusetts Public Pension Systems. The professional, prudent and efficient administration of these systems is the public trust of PERAC and each of the 105 public pension systems for the mutual benefit of the public employees, public employers and citizens of Massachusetts. The stewardship of the public trust is for the sole purpose of providing the benefits guaranteed to the public employees who have dedicated their professional careers to the service of the people of the Commonwealth.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Public Employee Retirement Administration Commission	0	8,555	8,555	0

<http://www.mass.gov/perac>

**Trust Spending 8,554,529**

PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

1108-6000 8,554,529

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**Teachers Retirement Board**

The mission of the Teachers' Retirement Board is to ensure that members of the Massachusetts Teachers' Retirement System achieve and maintain a successful and secure retirement through responsible benefits administration, financial integrity and the provision of outstanding services.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Teachers Retirement Board	0	1,618,027	1,618,027	2,500

<http://www.mass.gov/mtrs>

<b><i>Trust Spending</i></b>	<b>1,618,026,675</b>
TEACHER PENSION PAYMENTS	
1108-1020	1,118,232,628
ACCOUNTING FOR PENSION PAYMENTS MADE IN EXCESS OF IRS CAP	
1108-1023	50,000
E-RETIREMENT PROJECT	
1108-2058	9,620,300
TEACHERS' RETIREMENT BOARD ADMINISTRATION	
1108-4000	10,123,747
TEACHERS ANNUITIES FUND-RECEIPTS	
7025-9600	480,000,000

***The Health Care Security Trust***

	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Resource Summary (\$000)	0	0	0	0
The Health Care Security Trust	0	0	0	0

## Education

### Fiscal Year 2014 Resource Summary (\$000)

Department	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Community Colleges	240,859	843,024	1,083,883	6,880
Department of Early Education and Care	630,941	13,813	644,754	198,491
Department of Elementary and Secondary Education	4,954,764	916,393	5,871,157	8,305
Department of Higher Education	248,572	14,651	263,223	0
Office of the Secretary of Education	27,503	73,828	101,331	0
Other State Universities and Colleges	210,480	712,359	922,839	6,132
University of Massachusetts	479,335	861,961	1,341,296	132,032
<b>TOTAL</b>	<b>6,792,454</b>	<b>3,436,029</b>	<b>10,228,483</b>	<b>351,840</b>

### Historical Employment Levels

Department	June FY2010	June FY2011	June FY2012	Approved FY2013	Projected FY2014
Community Colleges	3,410	3,645	3,880	3,688	3,688
Department of Early Education and Care	186	178	171	177	177
Department of Elementary and Secondary Education	247	218	222	240	256
Department of Higher Education	46	42	40	49	49
Office of the Secretary of Education	43	58	60	63	82
Other State Universities and Colleges	3,156	3,315	3,266	3,286	3,286
University of Massachusetts	5,297	5,802	5,221	5,421	5,421
<b>TOTAL</b>	<b>12,385</b>	<b>13,259</b>	<b>12,861</b>	<b>12,925</b>	<b>12,960</b>

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2014 FTE figures are preliminary and may not represent actual levels.

**Department of Early Education and Care**

The Massachusetts Department of Early Education and Care provides the foundation that supports all children in their development as lifelong learners and contributing members of the community and supports families in their essential work as parents and caregivers.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Early Education and Care	630,941	13,813	644,754	198,491

<http://www.mass.gov/eec>

**Budgetary Direct Appropriations** **630,940,758**

DEPARTMENT OF EARLY EDUCATION AND CARE ADMINISTRATION

3000-1000	For the administration of the department of early education and care and the costs of field operations and licensing provided through the department; provided, that notwithstanding chapter 66A of the General Laws, the department of early education and care, the child care resource and referral agencies, the department of elementary and secondary education, the department of transitional assistance, the department of children and families, the department of housing and community development, the children's trust fund, and the department of public health, specifically early intervention, may share with each other personal data regarding the parents and children who receive services provided under early education and care programs administered by the commonwealth for waitlist management, program implementation and evaluation, reporting and policy development purposes; provided further, that the department of early education and care shall provide the caseload forecasting office with enrollment data and any other information pertinent to caseload forecasting that is requested by the office on a monthly basis; and provided further, that the information is provided in a manner that meets all applicable federal and state privacy and security requirements	12,844,972
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ACCESS MANAGEMENT

3000-2000	For regional administration and coordination of resource and referral services; provided, that services shall focus on ensuring families have access to high quality information, resources and referrals that meet their specific needs and are educated regarding cost, quality and availability of early education and out of school time care and that provider development and engagement services support intentional, coordinated and measureable efforts that are aligned with the Massachusetts Quality Rating and Improvement System (QRIS) and ensure provider access to training and technical assistance that links to the department's licensing requirements and standards; and provided further, that funding for activities shall include, but not be limited to, program coordination and support, voucher management for income eligible families and families referred by the department of transitional assistance, outreach to hard-to-reach populations, intake and eligibility services for families seeking financial assistance to enroll in early education and out of school time programs and resource and referral for families with disabilities in child care programs	7,933,862
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CHILDREN'S TRUST FUND OPERATIONS

3000-2050 For the administration of the Children's Trust Fund; provided, that the department shall not exercise any supervision or control with respect to the board of the trust fund 1,055,709

SUPPORTIVE CHILD CARE

3000-3050 For early education and care for families referred by the department of children and families; provided, that funds may be used to provide services during a transition period for families upon closure of their case; provided further, that foster families identified by the department of children and families who would benefit from supportive child care services may also receive funding from this item; provided further, that the department of children and families shall work with the department of early education and care to maintain a centralized waiting list to detail the children eligible for services from this item; and provided further, that the commissioner of early education and care may transfer funds to this item from items 3000-1000, 3000-4050 and 3000-4060, as necessary, pursuant to an allocation plan, which shall detail by object class the distribution of the funds to be transferred and which the commissioner shall file with the house and senate committees on ways and means 30 days before the transfer 80,227,189

TEMPORARY ASSISTANCE FOR NEEDY FAMILY RELATED CHILD CARE

3000-4050 For financial assistance for families currently involved with or transitioning from Temporary Assistance to Needy Families to enroll in an early education and care program; provided, that early education and care shall be available to former participants who are working for up to 1 year after termination of their TANF benefits; provided further, that all early education and care providers which are part of a public school system shall be required to accept vouchers funded by this item; provided further, that the department may provide early education and care benefits to parents who are under 18 years of age, who are currently enrolled in a job training program and who would qualify for benefits under chapter 118 of the General Laws but for the deeming of the grandparents' income; provided further, that all teens eligible for year-round, full-time early education and care services shall be participating in school, education, work and training-related activities or a combination thereof for at least the minimum number of hours required by regulations; and provided further, that the department may provide early education and care benefits to certain other former TANF recipients who are participating in education or training in compliance with regulations from the department of transitional assistance; and provided further, that the commissioner of early education and care may transfer funds to this item from items 3000-1000 and 3000-4060, as necessary, pursuant to an allocation plan, which shall detail by object class the distribution of the funds to be transferred and which the commissioner shall file with the house and senate committees on ways and means at least 30 days before the transfer 128,063,499

CHILD CARE ACCESS

3000-4060 For income-eligible early education and care programs; provided, that teen parents at risk of becoming eligible for transitional aid to families with dependent children may be paid from this item; provided further, that informal early education and care benefits for families meeting income-eligibility criteria may be funded from this item; provided further, that not more than \$2 per child 226,697,976

per hour shall be paid for the services; provided further, that early education and care slots funded from this item shall be distributed geographically in a manner that provides fair and adequate access to early education and care for all eligible individuals; provided further, that the department may expend funds from this item on grants to support inclusive learning environments; provided further, that the commissioner of early education and care may transfer funds to this item from items 3000-1000, 3000-3050 and 3000-4050, as necessary, pursuant to an allocation plan, which shall detail by object class the distribution of the funds to be transferred and which the commissioner shall file with the house and senate committees on ways and means at least 10 days before the transfer; provided further, that this plan shall be filed with the house and senate chairs of the joint committee on education, the chairs of the house and senate committees on ways and means and the secretary of administration and finance; and provided further, that any payment made under any such grant with a school district shall be deposited with the treasurer of such city, town or regional school district and held as a separate account and shall be expended by the school committee of such city, town or regional school district without municipal appropriation, notwithstanding any general or special law to the contrary

EARLY EDUCATION PROVIDER QUALITY INVESTMENTS

3000-4065 For a reserve to improve the quality of the commonwealth's child care system by enabling child care providers to better attract and retain quality staff; provided, that payments from this reserve shall be distributed by the office of child care services to increase reimbursement rates for subsidized child care; provided further, that the increases shall be directed to expenditures for salaries, benefits, and stipends for professional development of child care workers; provided further, that up to \$17,586,713 shall be spent on fiscal year 2014 rate increases related to new transportation related regulation promulgated by the department; and provided further, that remaining funds shall be allocated to adjust rates of reimbursement paid to each provider by the same percentage across the commonwealth 30,586,713

PRE SCHOOL INITIATIVE

3000-4070 For fiscal year 2014 costs associated with the phased-in provision of universal access to high quality pre-school education and care to all eligible pre-school age children on the wait list for services maintained by the department under 3000-4060; provided, that services shall be provided through vouchers or contracts within a publicly funded, mixed delivery system; provided further, that a key goal of that system shall be contributing to third grade reading proficiency; provided further, that the department shall collaborate with the department of elementary and secondary education in establishing standards that ensure such proficiency by third grade; provided further, that the department shall promote high quality education and care by setting voucher and contract rates and other requirements under this program using the QRIS; provided further, that the department shall provide monthly updates not later than the first day of every month to the house and senate chairs of the joint committee on education, the chairs of the house and senate ways and means committees, the secretary of administration and finance and the secretary of education on the number of children provided services by this appropriation, the quality ratings of the placements provided, the number of children found ineligible for services and removed from the wait list during the validation process, the number of children of pre-school age added to the wait list during the previous month and the net change to the wait list over that month; and provided further, that the department shall work jointly with the department of elementary and secondary education and the chief information officer of the secretariat of education to ensure longitudinal analysis of the educational 25,150,000

efficacy of the pre-school provided through this account and the success of children so served at attaining reading proficiency by third grade

INFANT AND TODDLER INITIATIVE

3000-4075	For fiscal year 2014 costs associated with the phased-in provision of universal access to high quality education and care to all eligible infants and toddlers on the wait list for services maintained by the department under 3000-4060; provided, that services shall be provided through vouchers or contracts within a publicly funded, mixed delivery system; provided further, that a key goal of that system shall be contributing to third grade reading proficiency; provided further, that the department shall collaborate with the executive office of health and human services in establishing standards that ensure children provided services under this item meet age-appropriate developmental intellectual, emotional, social and psychological goals; provided further, that the department shall promote high quality education and care by setting voucher and contract rates and other requirements under this program using the QRIS; provided further, that the department shall provide monthly updates not later than the first day of every month to the house and senate chairs of the joint committee on education, the chairs of the house and senate ways and means committees and the secretary of education on the number of children provided services by this appropriation, the quality ratings of the placements provided, the number of children found ineligible for services and removed from the wait list during the validation process, the number of children of pre-school age added to the wait list during the previous month and the net change to the wait list over that month; and provided further, that the department shall work jointly with the department of elementary and secondary education and the chief information officer of the secretariat of education to ensure longitudinal analysis of the educational efficacy of the education and care provided through this account and the success of children so served at attaining reading proficiency by third grade	31,600,000
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QUALITY EFFORTS

3000-4080	For quality improvement initiatives to ensure the highest educational quality among providers of early education and care and to assist early educators and providers in attaining higher levels of proficiency, skill and quality as measured by the QRIS; provided, that funds may be expended on early educator scholarships, intentional professional development, classroom based grants to enhance the quality of education and care provided to recipients of voucher and contract care and such additional measures as the department deems necessary to achieving kindergarten readiness and third grade reading proficiency for every child served; provided further, that funds may be expended for a K1 pilot grant program, which shall assist districts in gateway cities or which have achievement gaps, and level three and four schools, in offering education on a voluntary basis to all four year olds served by the school or district; provided further, the funds may be expended to provide birth to grade three services in the commonwealth which will sustain and build upon improved early learning outcomes throughout the early elementary school years; provided further, that the department shall work with the department of elementary and secondary education and the department of higher education to prepare children for school success by reviewing approaches for a birth to grade three system that include resources for cross-sector work, administrator quality and capacity, teacher and teaching quality, instructional tools, learning environment, data-driven improvement, engaged families and access, transitions and pathways; provided further, that the department and the department of elementary and secondary education shall work together to align and clearly define the expectations of learning for children and to develop common standards and an assessment system to monitor and report	30,000,000
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student progress; provided further, that the department of elementary and secondary education and the department of higher education shall review instructional tools and practices, including curriculum content, alignment of standards and curricula, and pedagogical methods to foster teacher/early educator collaboration and develop shared and intentional professional development and instructional competencies; and provided further, that funds shall not be expended under this item until a plan for such spending is developed by the commissioner and sent by vote of the board of early education and care for joint approval by the secretaries of education and administration and finance

KINDERGARTEN ENTRY ASSESSMENT SYSTEM

3000-4090 For the ongoing costs associated with the kindergarten readiness assessment system currently being developed by the department with federal funding 3,200,000

GRANTS TO HEAD START PROGRAMS

3000-5000 For grants to head start programs; provided, that funds from this item may be expended on early head start programs 8,000,000

UNIVERSAL PRE-KINDERGARTEN

3000-5075 For the Massachusetts Universal Pre-Kindergarten Program; provided, that funds from this item shall be expended on grants to improve the quality of and expand access to preschool programs and services to children from the age of 2 years and 9 months until they are kindergarten eligible; provided further, that in awarding grant funds under this program, preference shall be given to establishing preschool classrooms in towns and cities with schools and districts at risk of or determined to be underperforming in accordance with sections 1J and 1K of chapter 69 of the General Laws, schools and districts which have been placed in the accountability status of identified for improvement, corrective action, or restructuring pursuant to departmental regulations or which have been designated commonwealth priority schools or commonwealth pilot schools pursuant to said regulations, schools or districts with a high percentage of students scoring in levels 1 and 2 on the Massachusetts comprehensive assessment system (MCAS) exams or programs which serve children not less than 50 per cent of whom are from families earning at or below 85 per cent of the state median income; provided further, that funds may also be used to enhance community-wide capacity building efforts within statewide parameters established by the board; provided further, that any newly-funded programs designated as Massachusetts Universal Pre-Kindergarten Program participants shall fall within the quality standards established by the QRIS; provided further, that programs receiving grant funds may use the funds to enhance teacher and staff quality and compensation, enhance program quality through participation in the QRIS, enhance program ability to interpret and use assessment data effectively, enhance developmentally-appropriate practices, incorporate ancillary services into the program, facilitate or provide access to wrap-around services for working families or increase capacity to expand access to age-eligible children on the centralized waitlist maintained by the department; provided further, that preference shall be given in awarding grants to those programs which demonstrate affordability for middle class and working class parents according to standards to be developed by the department; and provided further, that any payment made under any such grant with a school district shall be deposited with the treasurer of such city, town or regional school district and held as a separate account and shall be expended by the school committee of such city, town or regional school district without

municipal appropriation, notwithstanding any general or special law to the contrary

EARLY CHILDHOOD MENTAL HEALTH CONSULTATION SERVICES

3000-6075	For early childhood mental health consultation services in early education and care programs in the commonwealth; provided, that preference shall be given to those services designed to limit the number of expulsions and suspensions from these programs; and provided further, that eligible recipients for such grants may include municipal school districts, regional school districts, educational collaboratives, head start programs, licensed child care providers, child care resource and referral centers and other qualified entities	750,000
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CHILDREN'S TRUST FUND

3000-7000	For the operation of the Children's Trust Fund, including parental education and home visiting programs for at-risk newborns; provided, that if the appropriation is sufficient, services may be made available to all parents under 21 years of age; provided further, that the department shall collaborate with the Children's Trust Fund, when appropriate, to coordinate services provided through this item with services provided through item 3000-7050 to ensure that parents receiving services through this item are aware of all opportunities available to them and their children through the department; and provided further, that priority for services shall be given to low-income parents	10,483,563
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SERVICES FOR INFANTS AND PARENTS

3000-7050	For grants to provide coordinated family and community engagement services at the local level; provided, that services may include, but not be limited to, individual or community-wide early literacy activities, family education and engagement initiatives, coordination of services among community-based programs serving families, collaborative activities among and between public schools or community-based early education and care providers and families; provided further, that supports funded through this item shall be provided to improve the quality of practice of individual providers and to align programs with the QRIS; provided further, that family and community engagement activities funded through this item shall provide comprehensive support services for children ages birth to third grade through family support programming and referrals to comprehensive service providers; provided further, that the department shall, to the maximum extent feasible, coordinate services provided through this item with services provided through items 3000-6000 and 3000-7000 in order to ensure that parents receiving services through this item are aware of all opportunities available to them and their children through the department; provided further, that grants funded through this item shall be in alignment with the quality requirements of the Massachusetts Universal Pre-Kindergarten Program and the QRIS; provided further, that the department shall take steps to streamline activities and programs funded through this item; provided further, that funds may be expended for the home-based parenting, family literacy and school readiness program known as the parent-child home program; and provided further, that the department may expend funds from the item on grants for supplemental services for children with individualized education plans	18,164,890
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FAMILY ENGAGEMENT TO SUPPORT READING PROFICIENCY BY GRADE 3

3000-7051	For implementation of the competitively bid reading proficient by grade three grant program, for the purpose of creating language and literacy rich home and school environments, which shall support the goal of all students reaching	3,000,000
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reading proficiency by grade three; provided, that supports funded through this item shall include parent classes and workshops, with a focus on fathers, pregnant and parenting teens, home visiting programs, family literacy programs to support adult literacy as well as quality literacy programming for participants' pre-school aged children, professional development and training for child care providers in working with families, parent-child playgroups and professional development opportunities that engage both child care providers and K-12 educators; provided further, that eligible grantees shall include community providers, school districts, home visiting programs, education collaboratives, licensed child care providers, institutions of higher education and Readiness Centers; provided further, that grantees must demonstrate alignment with school district literacy strategies and goals; and provided further, that grantees must demonstrate how the proposed supports will contribute to increased reading proficiency in the school district served by the program

REACH OUT AND READ

3000-7070 For Reach Out and Read, a research-proven, pediatric literacy intervention program, which trains doctors and nurse practitioners to provide advice to parents on reading aloud to children and books for children living in poverty and in underperforming school districts through programs established in community health centers, medical practices and hospitals; provided, that the funds distributed through Reach Out and Read shall be contingent upon a match of not less than \$1 in private or corporate contributions for every \$1 in state grant funding; and provided further, that Reach Out and Read shall issue a report to the department, house and senate committees on ways and means and the joint committee on education, no later than February 15, 2014, detailing program success in meeting measurable goals and benchmarks 750,000

COMPREHENSIVE SUPPORT SERVICES

3000-8000 For a competitive grant program to increase access to comprehensive support services for families with children birth to age 5 in communities with low-performing schools as designated by the department of elementary and secondary education, for the purpose of ensuring that students arrive at school ready to learn and to achieve reading proficiency by grade three; provided that, eligible grantees shall include partnerships between early education providers and community-based providers of mental health and social services; provided further, that grantees shall serve high-need families in their local communities; provided further, that successful applicants will demonstrate a shared vision for how best to establish a network of services and supports for children, youth and families in the local community; provided further that the department and the child and youth readiness cabinet will jointly approve and administer grants that support the goal of enhanced cooperation and collaboration across the state departments and agencies that serve the commonwealth's children, youth and families; and provided further, that in their review, the department and the child and youth readiness cabinet will ensure grantees align their work with existing state agency efforts to support children, youth and families 5,000,000

**Federal Grant Spending 13,789,848**

FY07 HEAD START

3000-0708 For the purposes of a federally funded grant entitled, FY07 Head Start 175,000

**FY2014 Governor's Budget Recommendation**

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RACE TO THE TOP EARLY LEARNING CHALLENGE

3000-2010 For the purposes of a federally funded grant entitled, Race to the Top Early Learning Challenge 13,014,593

STATE ADVISORY COUNCIL GRANT-ARRA

3000-5050 For the purposes of a federally funded grant entitled, Head Start Advisory Council - ARRA 50,000

CHILD ABUSE PREVENTION

3000-9002 For the purposes of a federally funded grant entitled, Child Abuse Prevention 550,255

**Trust Spending 23,050**

LICENSE PLATE QUALITY

4130-2900 23,050

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**Department of Elementary and Secondary Education**

The Department of Elementary and Secondary Education (ESE) is committed to preparing all students for success in the world that awaits them after high school. Whether you are a student, parent, educator, community leader, taxpayer, or other stakeholder interested in education, we invite you to join us in this endeavor.

We are guided by this mission...

"To strengthen the Commonwealth's public education system so that every student is prepared to succeed in postsecondary education, compete in the global economy, and understand the rights and responsibilities of American citizens, and in so doing, to close all proficiency gaps."

And by these goals...

- \* Strengthen curriculum, instruction, and assessment
- \* Improve educator effectiveness
- \* Turn around the lowest performing districts and schools
- \* Use data and technology to support student performance

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Elementary and Secondary Education	4,954,764	916,393	5,871,157	8,305

<http://www.mass.gov/doe>

**Budgetary Direct Appropriations 4,952,921,612**

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

7010-0005 For the operation of the department of elementary and secondary education 13,892,387

PROGRAMS TO ELIMINATE RACIAL IMBALANCE - METCO

7010-0012	For grants to cities, towns and regional school districts for payments of certain costs and related expenses for the program to eliminate racial imbalance established under section 12A of chapter 76 of the General Laws; provided, that funds shall be made available for payment for services rendered by METCO, Inc. and Springfield public schools	18,142,582
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LITERACY PROGRAMS

7010-0033	For consolidated literacy programs and grants to cities, towns and regional school districts; provided, that evaluations shall be compared to measurable goals and benchmarks that shall be developed by the department; provided further, that this program shall provide ongoing documentation and evaluation of results; provided further, that Bay State Reading Institute, Inc, shall be an eligible applicant for these funds; and provided further, that funds may be expended for this purpose through August 31 of the following fiscal year	3,797,940
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SCHOOL TO CAREER CONNECTING ACTIVITIES

7027-0019	For school-to-career connecting activities; provided, that the board of elementary and secondary education, in cooperation with the department of workforce development and the state workforce investment board, may establish and support a public-private partnership to link high school students with economic and learning opportunities on the job as part of the school-to-work transition program; provided further, that this program may include the award of matching grants to workforce investment boards or other local public-private partnerships involving local community job commitments and work site learning opportunities for students; provided further, that the grants shall require at least a 200 per cent match in wages for the students from private sector participants; provided further, that the program shall include, but not be limited to, a provision that business leaders commit resources to pay salaries, provide mentoring and instruction on the job, and work closely with teachers; and provided further, that public funds shall assume the costs of connecting schools and businesses to ensure that students serve productively on the job	2,871,370
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ENGLISH LANGUAGE ACQUISITION

7027-1004	For English language acquisition professional development to improve the academic performance of English language learners and effectively implement sheltered English immersion as outlined in chapter 71A of the General Laws; provided, that funds may be expended for the RE-TELL initiative; and provided further, that funds may be expended for this purpose through August 31 of the following fiscal year.	3,345,312
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SCHOOL-AGE IN INSTITUTIONAL SCHOOLS AND HOUSES OF CORRECTION

7028-0031	For the expenses of school-age children in institutional schools under section 12 of chapter 71B of the General Laws; provided, that the department may provide special education services to eligible inmates in county houses of correction	7,792,343
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KINDERGARTEN EXPANSION GRANTS

7030-1002	For kindergarten expansion grants to provide awards to encourage the transition of half day classrooms into full-day kindergarten classrooms and to continue quality enhancement of existing full-day kindergarten classrooms; provided, that the department shall administer the grant program with the	23,948,947
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primary purpose of encouraging the voluntary expansion of high quality, full-day kindergarten education; provided further, that preference shall be given to transition grants that expand full day classrooms in districts and schools not served by full day classrooms in fiscal year 2014 and for continuation grants for classrooms whose student population has not yet been included in the October 1 full day kindergarten enrollment count under chapter 70 of the general laws; provided further, that continuation quality enhancement grants for classrooms whose student population has been included in the October 1 headcount for purposes of calculating aid under chapter 70 shall not be made until all qualified and eligible applicants for transition grants and year 1 continuation grants have been awarded; provided further, that, when the district reports new enrollment due to newly expanded full day kindergarten classrooms, the department shall calculate the foundation budget increase due to the expansion and the additional aid generated for the district by the expansion and shall ensure that the sum of the additional chapter 70 aid and the continuation grant for the expanded classrooms does not exceed the increase in the foundation budget calculated for those classrooms; provided further, that preference shall be given to schools and districts at risk of or determined to be underperforming under sections 1J and 1K of chapter 69 of the General Laws, schools and districts in levels 4 or 5, schools and districts with high percentages of students scoring in levels 1 or 2 on the MCAS exam and school districts which serve free or reduced lunch to at least 35 per cent of its students, as determined by the department based on available data; provided further, that any grant funds distributed from this item shall be deposited with the treasurer of such city, town or regional school district and held in a separate account and, notwithstanding any general or special law to the contrary, shall be expended by the school committee of such city, town or regional school district without further appropriation; provided further, that such program shall supplement and shall not supplant currently funded local, state and federal programs at the school or district; provided further, that not later than November 17, 2014, the department shall report to the house and senate committees on ways and means on the total number of grants requested and awarded; provided further, that the report shall detail common factors associated with both successful and unsuccessful applications, discuss statewide impediments and include the total number of full-day and half-day kindergarten classrooms projected to be in operation in public schools in fiscal year 2014; provided further, that all kindergarten programs previously funded through community partnership councils at the department of early education and care may receive grants from this item; and provided further, that no funds shall be expended for personnel costs

EARLY INTERVENTION TUTORIAL LITERACY

7030-1005	For Reading Recovery, a one-to-one, early intervention, individual tutorial literacy program designed as a pre-special education referral and short-term intervention for children who are at risk of failing to read in the first grade; provided, that this program shall provide ongoing documentation and evaluation of results; provided further, that the evaluation shall be compared to measurable goals and benchmarks that shall be developed by the department; and provided further, that Reading Recovery shall provide to the house and senate committees on ways and means and the joint committee on education a report detailing, by recipient, program success in meeting measurable goals and benchmarks	400,000
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ADULT BASIC EDUCATION

7035-0002	For grants to cities, towns, regional school districts and educational collaboratives for programs to provide and strengthen basic educational attainment and work-related programs in reading, writing and mathematics at	35,178,721
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adult learning centers, including grants to public and non-public entities; provided, that additional funds available through this account in fiscal year 2014 shall be available exclusively for the purpose of providing services to adult English language learners; and provided further, that funds distributed from this item shall be deposited with the treasurer of that city, town, regional school district or educational collaborative and held in a separate account and shall be expended by the school committee of the city, town, regional school district or educational collaborative without further appropriation, notwithstanding any general or special law to the contrary

HOMELESS STUDENT TRANSPORTATION

7035-0005 For reimbursements to cities, towns and regional school districts for the cost of transportation of nonresident pupils as required by the federal McKinney-Vento act; provided, that the board of elementary and secondary education shall promulgate regulations for the determination of these reimbursements; and provided further, that the commonwealth's obligation shall not exceed the amount appropriated in this item 6,050,000

TRANSPORTATION OF PUPILS - REGIONAL SCHOOL DISTRICTS

7035-0006 For reimbursements to regional school districts for the transportation of pupils; provided, that notwithstanding any general or special law to the contrary, the commonwealth's obligation for those reimbursements shall not exceed the amount appropriated in this item 44,521,000

NON-RESIDENT PUPIL TRANSPORT

7035-0007 For reimbursements to cities, towns, regional vocational or county agricultural school districts, independent vocational schools or collaboratives for certain expenditures for transportation of non-resident pupils to any approved vocational-technical program of any regional or county agricultural school district, city, town, independent school or collaborative under section 8A of chapter 74 of the General Laws; provided, that upon receipt by the department of elementary and secondary education of required transportation cost reports, the department shall reimburse no more than 50 per cent of the total cost certified by the department; provided further, that the reports shall meet criteria established by the department; and provided further, that notwithstanding any general or special law to the contrary, the commonwealth's obligation shall not exceed the amount appropriated in this item 250,000

ADVANCED PLACEMENT MATH AND SCIENCE PROGRAMS

7035-0035 For implementation of a competitively bid, statewide performance-based, integrated program to increase participation and performance in advanced placement courses, particularly among underserved populations, to prepare students for college and career success in science, technology, engineering and mathematics; provided, that these funds shall support all of the following program elements, without exception, for each school: open access to courses, equipment and supplies for new and expanded advanced placement courses, support for the costs of advanced placement exams and support for student study sessions; provided further, that these funds support teacher professional development, including a College Board endorsed advanced placement summer institute for math and science advanced placement teachers; provided further, that such program shall provide a matching amount of at least \$1,000,000 in private funding for direct support of teachers and other uses; provided further, that the program be chosen through a single 2,000,000

## FY2014 Governor's Budget Recommendation

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competitive process and the funds disbursed by the beginning of each school year to cover costs expended between August 1 and July 31; provided further, that this program shall work in conjunction with an existing, separately funded statewide pre-advanced placement program; and provided further, that the department shall deliver to the legislature an independent evaluation of these programs and their impact on student achievement, particularly as they relate to closing achievement gaps.

### SCHOOL LUNCH PROGRAM

7053-1909	For reimbursements to cities and towns for partial assistance in the furnishing of lunches to school children, including partial assistance in the furnishing of lunches to school children under chapter 538 of the acts of 1951, and for supplementing funds allocated for the special milk program; provided, that notwithstanding any general or special law to the contrary, the school lunch payments shall not exceed, in the aggregate, the required state revenue match contained in Public Law 79-396, as amended, cited as the National School Lunch Act, and in the regulations implementing the act.	5,426,986
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### SCHOOL BREAKFAST PROGRAM

7053-1925	For the school breakfast program for public and non-public schools and for grants to improve summer food programs during the summer school vacation period and for supplemental reimbursement, including reimbursement for those elementary schools mandated to serve breakfast under section 1C of chapter 69 of the General Laws; provided, that subject to regulations of the board that specify time and learning standards, universal breakfasts shall be served during regular school hours; and provided further, that nothing in the universal school breakfast program shall give rise to enforceable legal rights in any party or enforceable entitlement to services	4,121,215
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### CHAPTER 70 PAYMENTS TO CITIES AND TOWNS

7061-0008	For school aid to cities, towns, regional school districts, counties maintaining agricultural schools and independent vocational or agricultural and technical schools to be distributed under section 3 of this act	4,397,257,332
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### CIRCUIT BREAKER - REIMBURSEMENT FOR SPECIAL EDUCATION RESIDENT

7061-0012	For reimbursements to school districts and direct payments to service providers for special education costs under section 5A of chapter 71B of the General Laws	230,489,222
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### EDUCATIONAL QUALITY AND ACCOUNTABILITY

7061-0029	For the office of school and district accountability, established in section 55A of chapter 15 of the General Laws	2,979,388
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### FINANCIAL LITERACY PROGRAM

7061-0928	For a competitive grant program to promote financial literacy; provided, that the program shall equip students with the knowledge and skills needed to enable students to make critical decisions regarding personal finances; provided further, that the department of elementary and secondary education shall develop a 3 year pilot program for 10 public high schools on financial literacy education for implementation for the school year beginning in 2013; and provided further, that the pilot program shall be a competitive grant	250,000
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process for high schools serving gateway municipalities, as defined in section 3A of chapter 23A of the General Laws

CHARTER SCHOOL REIMBURSEMENT

7061-9010	For the current fiscal year, reimbursements to certain cities, towns and regional school districts of charter school tuition and the per pupil capital needs component included in the charter school tuition amount for Commonwealth charter schools, as calculated under subsections (ff) and (gg) of section 89 of chapter 71 of the General Laws; provided, that notwithstanding subsection (ff) of section 89 or any other general or special law to the contrary, the per pupil capital needs component of the commonwealth charter school tuition rate for fiscal year 2014 shall be \$893; and provided further, that if the amount appropriated is insufficient to fully fund all reimbursements required by section 89, the department shall fully reimburse the cost of the per pupil capital needs component and shall pro-rate the tuition reimbursements calculated under subsection (gg) of section 89	80,270,928
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INNOVATION SCHOOLS

7061-9011	For competitive grants to school districts for planning, implementation and enhancement of Innovation Schools; provided, that, in the case of planning grants, applicants have received approval of the Innovation School prospectus from the screening committee; provided further, that, in the case of implementation grants, the applicant has received final approval of the Innovation School from the local school committee; provided further, that Innovation Schools looking to enhance their Innovation School plans have demonstrated progress in meeting the school's measurable annual goals and have a compelling plan for enhancing their Innovation School plan; provided further, that priority will be given to schools proposed in Level 3 and 4 districts; and provided further, that up to \$365,000 may be expended to provide technical assistance and support to Innovation Schools applicants during planning and implementation	1,465,000
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EDUCATION TECHNOLOGY PROGRAM

7061-9200	For statewide data collection and analysis for schools and districts	795,441
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STUDENT AND SCHOOL ASSESSMENT

7061-9400	For student and school assessment	24,276,033
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MCAS LOW-SCORING STUDENT SUPPORT

7061-9404	For grants to cities, towns, regional school districts and charter schools to provide academic support and remediation for the MCAS exam; provided, that any grant funds distributed from this item to a city, town or regional school district shall be deposited with the treasurer of the city, town or regional school district and held in a separate account and shall be expended by the school committee of the city, town or regional school district without further appropriation, notwithstanding any general or special law to the contrary	9,575,175
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TARGETED INTERVENTION IN UNDERPERFORMING SCHOOLS

7061-9408	For targeted intervention to schools and districts at risk of or determined to be underperforming under sections 1J and 1K of chapter 69 of the General Laws	9,755,007
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EXTENDED LEARNING TIME GRANTS

7061-9412	For grants to cities, towns and regional school districts for planning and implementing expanded learning time in the form of longer school days or school years at selected schools; provided, that implementation grants shall only be provided under this item to schools and districts that submitted qualifying applications which were approved by the department in fiscal year 2013 and include a minimum of an additional 300 hours on a mandatory basis for all children attending that school; provided further, that in approving expanded learning time implementation grant applications, preference shall be given to districts with high poverty rates or a high percentage of students scoring in levels 1 or 2 on the MCAS, districts with proposals that have the greatest potential for district-wide impact, districts that plan to utilize partnerships with community-based organizations and institutions of higher education and districts with proposals that include a comprehensive restructuring of the entire school day or year to maximize the use of the additional learning time; provided further, that the department shall approve implementation proposals that include an appropriate mix of additional time spent on core academics, additional time spent on enrichment opportunities such as small group tutoring, homework help, music, arts, sports, physical activity, health and wellness programs, project-based experiential learning and additional time for teacher preparation or professional development; provided further, that the department shall only approve implementation proposals that assume not more than \$1,300 per pupil per year in future state appropriations of expanded learning time implementation funds; provided further, that in extraordinary cases, the department may exceed the \$1,300 per pupil per year limit; provided further, that the department shall review all qualified proposals and award approved grants not later than August 16, 2013; provided further, that, for this item, appropriated funds may be expended through August 31, 2014 to allow for planning and implementation during the summer months; provided further, that any grant funds distributed from this item to a city, town or regional school district shall be deposited with the treasurer of such city, town or regional school district and held in a separate account and shall be expended by the school committee of such city, town or regional school district without further appropriation, notwithstanding any general or special law to the contrary; provided further, that no funds shall be expended for personnel costs at the department of elementary and secondary education; provided further that \$4,872,000 shall be used to support grants to cities, towns and regional school districts for planning grants to support longer school days or years in schools where the majority of students are low-income; and provided further, that funds may be used to support continuation of expanded learning time initiatives in schools previously using federal school improvement funds for this purpose and to support charter schools, including commonwealth charter schools, offering a longer school day	19,040,030
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CONCURRENT ENROLLMENT FOR DISABLED STUDENTS

7061-9600	For a discretionary grant program to provide funding to school districts and state public institutions of higher education that partner together to offer concurrent enrollment programs for students with disabilities as defined in section 1 of chapter 71B of the General Laws, who are between 18 and 22 years of age, inclusive, provided that the grant program shall be limited to students who are considered to have severe disabilities	475,000
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AFTER-SCHOOL AND OUT-OF-SCHOOL GRANTS

7061-9611	For grants or subsidies for after-school and out-of-school programs	1,410,000
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ALTERNATIVE EDUCATION GRANTS

7061-9614	For the alternative education grant program established under section 1N of chapter 69 of the General Laws; provided, that the commissioner shall allocate funds for both subsections (a) and (b) of section 1N of chapter 69	146,140
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YOUTH-BUILD GRANTS

7061-9626	For grants and contracts with youth-build programs for the purposes of providing comprehensive youth-build services	2,000,000
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MENTORING MATCHING GRANTS

7061-9634	For a transfer of this item to the Mass Mentoring Partnership, which shall be responsible for administering a competitive statewide grant program for public and private agencies to start or expand youth mentoring programs according to current best practices and for purposes including advancing academic performance, self-esteem, social competence and workforce development; provided, that the department of elementary and secondary education shall transfer the amount appropriated in this item to the Mass Mentoring Partnership for the purpose of these grants; provided further, that in order to be eligible to receive funds from this item, each public or private agency shall provide a matching amount equal to \$1 for every \$1 disbursed from this item; and provided further, that the Mass Mentoring Partnership shall submit a report detailing the impact of grants, the expenditure of funds and the amount and source of matching funds raised to the department of elementary and secondary education	400,000
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TEACHER CONTENT TRAINING

7061-9804	For teacher content training in math and science; provided, that the training shall include math specialist, Massachusetts test for educator licensure preparation and advanced placement training; and provided further, that the courses shall have demonstrated the use of best practices, as determined by the department, including data comparing pre-training and post-training content knowledge	346,162
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REGIONALIZATION BONUS

7061-9810	For regional bonus aid under to subsection (g) of section 16D of chapter 71 of the General Laws	251,950
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<b>Federal Grant Spending</b>	<b>911,755,961</b>
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ADVANCED PLACEMENT FEE PAYMENT PROGRAM

7035-0210	For the purposes of a federally funded grant entitled, Advanced Placement Fee Payment Program	388,857
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ADULT EDUCATION - STATE GRANT PROGRAM

7038-0107	For the purposes of a federally funded grant entitled, Adult Education - State Grant Program	10,544,513
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TITLE I GRANTS TO LOCAL EDUCATION AGENCIES

## FY2014 Governor's Budget Recommendation

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7043-1001	For the purposes of a federally funded grant entitled, Title I Grants to Local Education Agencies	211,542,395
MIGRANT EDUCATION		
7043-1004	For the purposes of a federally funded grant entitled, Migrant Education	1,666,499
TITLE I - NEGLECTED AND DELINQUENT CHILDREN		
7043-1005	For the purposes of a federally funded grant entitled, Title I - Neglected and Delinquent Children	2,658,885
SCHOOL IMPROVEMENT GRANTS		
7043-1006	For the purposes of a federally funded grant entitled, School Improvement Grants	8,739,498
TEACHER AND PRINCIPAL TRAINING AND RECRUITING		
7043-2001	For the purposes of a federally funded grant entitled, Teacher and Principal Training and Recruiting	32,643,871
MATH AND SCIENCE PARTNERSHIPS		
7043-2003	For the purposes of a federally funded grant entitled, Math and Science Partnerships	1,370,732
ENGLISH LANGUAGE ACQUISITION		
7043-3001	For the purposes of a federally funded grant entitled, English Language Acquisition	13,247,410
AFTER SCHOOL LEARNING CENTERS		
7043-4002	For the purposes of a federally funded grant entitled, After School Learning Centers	16,672,123
STATE ASSESSMENTS AND RELATED		
7043-6001	For the purposes of a federally funded grant entitled, State Assessments and Related	8,893,622
EDUCATION FOR HOMELESS CHILDREN AND YOUTH		
7043-6501	For the purposes of a federally funded grant entitled, Education for Homeless Children and Youth	924,385
SPECIAL EDUCATION GRANTS		
7043-7001	For the purposes of a federally funded grant entitled, Special Education Grants	285,346,905
PRESCHOOL GRANTS		
7043-7002	For the purposes of a federally funded grant entitled, Preschool Grants	9,701,776

VOCATIONAL EDUCATION BASIC GRANTS

7043-8001	For the purposes of a federally funded grant entitled, Vocational Education Basic Grants	17,849,432
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PROJECT FOCUS ACADEMY

7044-0020	For the purposes of a federally funded grant entitled, Project Focus Academy	1,099,989
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MASSACHUSETTS HIGH SCHOOL GRADUATION INITIATIVE

7048-1500	For the purposes of a federally funded grant entitled, Massachusetts High School Graduation Initiative	2,324,860
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TEACHER INCENTIVES

7048-2700	For the purposes of a federally funded grant entitled, Teacher Incentives	6,695,570
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MIGRANT STUDENT RECORDS EXCHANGE SYSTEM STATE DATA QUALITY

7048-9144	For the purposes of a federally funded grant entitled, Migrant Student Records Exchange System State Data Quality	60,000
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NUTS FRESH FRUITS AND VEGETABLES

7053-2008	For the purposes of a federally funded grant entitled, Nuts Fresh Fruits and Vegetables	2,846,769
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CHILD NUTRITION GRANT STATE PROGRAM REVIEW

7053-2010	For the purposes of a federally funded grant entitled, Child Nutrition Grant State Program Review	1,243,648
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SPECIAL ASSISTANCE FUNDS

7053-2112	For the purposes of a federally funded grant entitled, Special Assistance Funds	193,519,474
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CHILD CARE PROGRAM

7053-2117	For the purposes of a federally funded grant entitled, Child Care Program	59,208,311
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TEMPORARY EMERGENCY FOOD ASSISTANCE

7053-2126	For the purposes of a federally funded grant entitled, Temporary Emergency Food Assistance	927,031
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SPECIAL SUMMER FOOD SERVICE PROGRAM FOR CHILDREN

7053-2202	For the purposes of a federally funded grant entitled, Special Summer Food Service Program for Children	7,327,924
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ACCELERATED STUDENT SUCCESS FROM PRESCHOOL - I-PASSPORT - ARRA

7060-9200	For the purposes of a federally funded grant entitled, Accelerated Student Success From Preschool - I-Passport - ARRA	5,217,564
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## FY2014 Governor's Budget Recommendation

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### OFFICE OF SCHOOL LUNCH PROGRAMS - CHILD CARE PROGRAM ADMIN

7062-0008	For the purposes of a federally funded grant entitled, Office of School Lunch Programs	3,706,465
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### CHARTER SCHOOLS ASSISTANCE AND DISTRIBUTIONS

7062-0017	For the purposes of a federally funded grant entitled, Charter Schools Assistance and Distributions	5,387,453
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<b><i>Retained Revenue</i></b>		<b>1,842,712</b>
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### TEACHER CERTIFICATION RETAINED REVENUE

7061-9601	For teacher preparation and certification and to retain revenues related to the teacher certification process	1,842,712
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<b><i>Trust Spending</i></b>		<b>4,636,941</b>
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### EDUCATION RESEARCH TRUST FUND

7010-0021		188,077
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### DESE CONFERENCE ACCOUNT

7010-0024		15,826
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### BROAD RESIDENCY TRUST

7010-2763		2,009
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### ADMINISTRATION AND COST ALLOCATION FOR CENTRAL SERVICES

7010-2901		2,350,400
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### SCHOOL IMPROVEMENT TRUST FUND

7010-4001		38,393
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### JOHN F. MONBOUQUETTE MEMORIAL EDUCATION FUND

7010-5001		5,790
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### GREEN SCHOOLS SPECIALIST RENEWABLE ENERGY

7010-5400		48,081
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### PARCC EXPENDABLE TRUST

7010-7272		113,498
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### MASSACHUSETTS EMPOWERING EDUCATORS WITH TECHNOLOGY

7010-8700		86,779
	MASSACHUSETTS TEACHER OF THE YEAR TRUST FUND	
7010-9601		15,212
	ADULT EDUCATION - RESTITUTION	
7038-0139		54,060
	ACCESSIBLE INSTRUCTIONAL MATERIALS EXPENDABLE TRUST	
7048-3122		10,687
	NELLIE MAE EDUCATION FOUNDATION EXPENDABLE TRUST 2	
7048-3124		4,477
	NGA CENTER FOR BEST PRACTICES EXPENDABLE TRUST	
7048-4100		27,950
	SCHOOL LUNCH DISTRIBUTION	
7053-2101		1,675,702

***Department of Higher Education***

The Department of Higher Education is responsible for defining the mission of and coordinating the Commonwealth's system of public higher education and its institutions. The mission of the Department of Higher Education is to ensure that Massachusetts residents have the opportunity to benefit from a higher education that enriches their lives and advances their contributions to the civic life, economic development, and social progress of the Commonwealth. To that end, the programs and services of Massachusetts higher education must meet standards of quality commensurate with the benefits it promises and must be truly accessible to the people of the Commonwealth in all their diversity.

	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Resource Summary (\$000)				
Department of Higher Education	248,572	14,651	263,223	0

<http://www.mass.edu>

***Budgetary Direct Appropriations*** **248,572,054**

DEPARTMENT OF HIGHER EDUCATION

7066-0000	For the operation of the department of higher education; provided, that the department shall recommend savings proposals that permit institutions of public higher education to achieve administrative and program cost reductions, re-allocate resources and re-assess programs and utilize resources otherwise available to such institutions; provided further, that in order to meet the estimated costs of employee fringe benefits provided by the	1,922,521
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commonwealth on account of employees of the Massachusetts State College Building Authority and the University of Massachusetts Building Authority and in order to meet the estimated cost of heat, light, power and other services to be furnished by the commonwealth to projects of these authorities, the boards of trustees of the state colleges, the state universities and the University of Massachusetts shall transfer to the General Fund from the funds received from the operations of the projects such costs, if any, as shall be incurred by the commonwealth for these purposes in the current fiscal year, as determined by the appropriate building authority, verified by the commissioner of higher education and approved by the secretary of administration and finance; and provided further, that funds shall be expended to meet existing statutory requirements and establish trustee recruitment, training and accountability initiatives

OFFICE OF COORDINATION

7066-0004 For the office of coordination within the department of higher education 400,000

COMPACT FOR EDUCATION

7066-0005 For the commonwealth's share of the cost of the compact for education 41,310

NEW ENGLAND BOARD OF HIGHER EDUCATION

7066-0009 For the New England Board of Higher Education 184,500

WORKFORCE DEVELOPMENT GRANTS TO COMMUNITY COLLEGES

7066-0015 For efforts to coordinate statewide and regional alignment of workforce development initiatives across the commonwealth's public higher education institutions; provided, that eligible uses of the funds shall include, but not be limited to: (1) the development of a comprehensive response to the needs of both employers and workers (adult and traditional age students) by aligning skill training and certificate and degree programs with critical workforce needs in high-demand fields, (2) the promotion of regional job growth by supporting the work of community colleges in responding to employer needs for a middle-skill workforce,(3) providing for scholarships to support students pursuing career pathways in high-demand fields, (4) the development of systems and infrastructure to promote and coordinate alignment of workforce training and education programs among the commonwealth's public education institutions, and (5) the development of partnerships with regional and local workforce development, education and training institutions  
Community College Fund ... 100% 6,149,999

FOSTER CARE FINANCIAL AID

7066-0016 For a program of financial aid to support the matriculation of certain persons at public and private institutions of higher learning; provided, that only persons in the custody of the department of children and families under a care and protection petition upon reaching the age of 18 or persons in the custody of the department matriculating at such an institution at an earlier age, shall qualify for this aid; provided further, that no such person shall be required to remain in the custody of the department beyond age 18 to qualify for this aid; provided further, that this aid shall not exceed \$6,000 per recipient per year; and provided further, that this aid shall be granted after exhausting all other sources of financial support 1,075,299

DUAL ENROLLMENT GRANT AND SUBSIDIES

7066-0019	For the department of higher education to support the dual enrollment program allowing qualified high school students to take college courses; provided, that public higher education institutions may offer courses in high schools in addition to courses offered at the institutions or online if the number of students is sufficient	750,000
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NURSING AND ALLIED HEALTH EDUCATION WORKFORCE DEVELOPMENT

7066-0020	For the nursing and allied health workforce development initiative, to develop and support strategies that increase the number of public higher education faculty members and students who participate in programs that support careers in fields related to nursing and allied health; provided, that the amount appropriated in this item shall be transferred to the nursing and allied health workforce development trust fund established by section 33 of chapter 305 of the acts of 2008; provided further, that funds shall be transferred to the trust fund according to an allotment schedule adopted by the executive office for administration and finance; and provided further, that the department of higher education shall provide monthly expenditure reports to the executive office of administration and finance	400,000
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FOSTER CARE AND ADOPTED FEE WAIVER

7066-0021	For reimbursements to public institutions of higher education for foster and adopted child fee waivers under section 19 of chapter 15A of the General Laws; provided, that no funds shall be distributed from this item prior to certification by the community colleges, state universities or the University of Massachusetts of the actual amount of tuition and fees waived for foster and adopted children attending public institutions of higher education under said section 19 of said chapter 15A that would otherwise have been retained by the campuses, according to procedures and regulations promulgated by the board of higher education	3,233,842
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SCHOOLS OF EXCELLENCE

7066-0024	For the school of excellence program at the Worcester Polytechnic Institute	1,370,438
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PERFORMANCE MANAGEMENT SET ASIDE

7066-0025	For the Performance Management Set Aside incentive program for the University of Massachusetts, state universities and community colleges; provided, that such funds shall be distributed by the commissioner of higher education to public institutions of higher education through a competitive grant process based on priorities determined by the board of higher education in pursuit of operational efficiency and goals articulated in the commonwealth's Vision Project; and provided further, that \$150,000 shall be expended for the establishment and administration of the commission on higher education efficiencies and finance General Fund ... 53.33% Community College Fund ... 46.67%	7,500,000
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SCIENCE TECHNOLOGY ENGINEERING AND MATHEMATICS PIPELINE FUND

7066-0035	For the support of science, technology, engineering, and mathematics (STEM) initiatives through the STEM pipeline fund established in the 2006 Economic Stimulus Act	1,500,000
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## FY2014 Governor's Budget Recommendation

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### HIGHER EDUCATION CONSULTANT

7066-0111	For the hiring of a consultant or institution with documented expertise in policy and research of state universities; provided, that the consultant shall assist in the development of a funding formula for state universities that considers factors including, but not limited to, the role of state universities in the regional economies of the state, their success, where applicable, at graduating effective educators and providing effective skills enhancement for current educators and their performance on the metrics of the vision project; and provided further, that said formula shall be provided not later than December 31, 2013 to the secretary of administration and finance and the chairs of the house and senate ways and means committees Community College Fund ... 100%	100,000
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### COMPLETION INCENTIVE GRANTS

7066-1300	For financial aid to lower-income students enrolled at community colleges, state universities, and the University of Massachusetts to incentivize and reward the timely and successful completion of degree and certificate programs; provided, that funding shall be allocated to expand upon the Completion Incentive Grant Fund that is being managed by the department and increase the number of students who will receive this type of financial aid; provided further, that funding shall be allocated in accordance with student eligibility and program and institutional eligibility guidelines approved by the board of higher education; provided further, that the board of higher education shall review and revise eligibility and award guidelines on an ongoing basis to ensure that the funding is increasing graduation and success rates at the community colleges, state universities and University of Massachusetts campuses; and provided further, that the department shall provide an annual report to the secretary of education, the secretary of administration and finance, the house and senate chairs of the joint committee on education and the chairs of the house and senate ways and means committees regarding the numbers of students receiving this funding, the institutions at which they are enrolled and the impact of this funding on the successful and timely completion of degree and certificate programs	3,000,000
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### STATE UNIVERSITY INCENTIVE GRANTS

7066-1400	For additional operational funding for state universities for efforts which advance the goals of the vision project; provided, that funding shall be allocated among the campuses by the commissioner of higher education with approval of the board of higher education taking into consideration discrepancies in per pupil funding between campuses, the relative progress each campus has made in achieving the metrics of the Vision Project, the collaboration each campus has shown in regional efforts to build the Massachusetts economy and workforce and other factors that the commissioner feels are vital to the creation of a robust and accountable system of public higher education in the commonwealth	12,500,000
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### MASSACHUSETTS STATE SCHOLARSHIP PROGRAM

7070-0065	For a scholarship program to provide financial assistance to Massachusetts students enrolled in and pursuing a program of higher education in any approved public or independent college, university, school of nursing or any other approved institution furnishing a program of higher education; provided, that the commissioner of higher education, in coordination with the Massachusetts state scholarship office, shall adopt regulations governing the eligibility and the awarding of financial assistance; and provided further, that	199,612,481
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not less than \$149,300,000 shall be made available for the MASSGrant program

TUFTS SCHOOL OF VETERINARY MEDICINE PROGRAM

7077-0023	For payments to the Tufts School of Veterinary Medicine; provided, that prior fiscal year costs may be paid from this item	3,250,000
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HEALTH AND WELFARE RESERVE FOR HIGHER EDUCATION PERSONNEL

7520-0424	For a health and welfare reserve for eligible personnel employed at the community and state colleges	5,581,664
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<b>Trust Spending</b>	<b>14,650,770</b>
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MATH SCIENCE TECHNOLOGY ENGINEERING GRANT FOUNDATION

7066-0109		1,500,000
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HIGHER EDUCATION COORDINATING COUNCIL LEGAL SERVICES

7066-1960		3,500
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REGENTS' EXTRAORDINARY EXPENSES TRUST

7066-6003		2,000
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VETERANS' EDUCATION TRUST FUND

7066-6004		300,000
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REGENTS' CENTRAL SERVICES TRUST

7066-6006		28,500
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REGENTS' LICENSING FEES TRUST ACCOUNT

7066-6008		280,000
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AGNES M. LINDSAY TRUST

7066-6010		10,500
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EDUCATIONAL OPPORTUNITY TRUST FUND

7066-6011		30,000
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NURSING AND ALLIED HEALTH TRUST

7066-6012		800,000
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VETERANS' EDUCATION TRUST FUND ADMINISTRATIVE OVERHEAD

7066-6035		30,000
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DAVIS EDUCATIONAL FOUNDATION GRANT EXPENDABLE TRUST

7066-6036 350,000

GEAR UP SCHOLARSHIP TRUST

7066-6666 316,270

NO INTEREST LOAN REPAYMENT ADMINISTRATION

7070-7002 11,000,000

**Office of the Secretary of Education**

The Executive Office of Education is responsible for realizing Governor Patrick's vision of a unified education system that provides a high quality education to all students. The office helps direct the Commonwealth's education agencies - Department of Early Education and Care, Department of Elementary and Secondary Education, Department of Higher Education and the University of Massachusetts system. In addition, the Executive Office of Education advises the Governor on matters of education policy, helps shape the Governor's policy agenda, advances the work of the Readiness Project and works with the Commissioners to build a seamless Pre-K - 20 public education system.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Office of the Secretary of Education	27,503	73,828	101,331	0

<http://www.mass.gov/edu>

**Budgetary Direct Appropriations 27,502,831**

EDUCATION INFORMATION TECHNOLOGY COSTS

7009-1700 For the provision of information technology services within the executive office of education 15,516,857

EXECUTIVE OFFICE OF EDUCATION

7009-6379 For the operation of the office of the secretary of the executive office of education 762,975

PROGRAMS FOR ENGLISH LANGUAGE LEARNERS IN GATEWAY CITIES

7009-6400 For grants to establish and operate high-quality, intensive, and targeted programs that will rapidly increase English language learning for middle and high school students in school districts serving Gateway Cities; provided, that grant applications must provide, at minimum, for after-school enrichment academies to operate during the spring of 2014; provided further, that applications may also provide for acceleration academies to be held during school vacations and/or for Saturday sessions during the spring of 2014; and provided further, that funds may be set aside for the administration of these programs 5,000,000

GATEWAY CITIES STUDENT SUPPORT COUNSELORS

7009-6401	For grants to establish or expand student support councils in school districts located in Gateway Cities, and to place student support counselors in schools within those districts who will coordinate the provision of support services, including, but not limited to, health and human services, to students within the school setting; provided, that funds shall be used to establish cross-sector, cross-stakeholder student support councils that will create strategic plans for delivering comprehensive student support services to students and families and also provide practical information and support to school districts and other educational institutions; provided further, that funds shall be used to hire district-level student support coordinators and school-level counselors; and provided further, that grant applications may also propose placing such counselors in early education or higher education settings where appropriate	3,640,000
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GATEWAY CITIES CAREER ACADEMIES

7009-6402	For grants to support the establishment of career academies in Gateway Cities, and to build stronger relationships and partnerships among high schools, institutions of higher education, local employers and workforce development entities in order to create multiple and seamless pathways to employment; provided, that funds shall be used to establish Education and Industry Coordinating Councils (EICCs); provided further, that the EICCs shall be chaired by the district superintendent and the chair of the local workforce investment board, and shall include representatives from district high schools, institutions of higher education, industry partners and local/regional employers; and provided further, that funding shall be used to engage in planning to establish career academies or to plan for the establishment of such academies during the following fiscal year	1,008,000
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GATEWAY CITIES EARLY LITERACY PROGRAMS

7009-6403	For grants to provide targeted professional development opportunities for educators working in family child care programs in Gateway Cities and to provide support to family members of children enrolled in these programs; provided, that funds shall be used to offer multiple types of professional development programs, including job-embedded opportunities, to educators on topics including, but not limited to, language and literacy development, especially for students for whom English is not their first language, creating literacy-rich environments and preparing children for kindergarten; provided further, that funds shall also be used to offer evening or Saturday sessions for family members to increase levels of understanding and engagement with literacy development; and provided further, that funds shall also be used to schedule home visits for children and families who need additional literacy support	575,000
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INNOVATION FUND

7009-6404	For the Commonwealth's contribution to the Commonwealth Education Innovation Trust Fund established by section 14B of chapter 6A of the General Laws; provided, that the executive office of education shall seek matching money from local and national funders, business and industry partners and other local organizations; and provided further, that funds shall be made available from the fund through grants to any district in the commonwealth whose approved applications propose to implement truly innovative and groundbreaking strategies that will close achievement gaps	1,000,000
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**Federal Grant Spending** **71,890,696**

STABILIZATION FUND RACE-TO-THE-TOP INCENTIVE GRANTS - ARRA

7060-7888 For the purposes of a federally funded grant entitled, Stabilization Fund Race-To-The-Top Incentive Grants - ARRA 71,890,696

**Intragovernmental Service Fund** **1,860,363**

CHARGEBACK FOR EDUCATION INFORMATION TECHNOLOGY COSTS

7009-1701 For the cost of information technology services provided to agencies of the executive office of education 1,860,363  
 Intragovernmental Service Fund ... 100%

**Trust Spending** **77,074**

READINESS EXPENDABLE TRUST

7009-6380 77,074

**Community Colleges**

The fifteen Massachusetts Community Colleges offer open access to high quality and affordable academic programs, including associate degree and certificate programs. They are committed to excellence in teaching and learning and provide academic preparation for transfer to four-year institutions, career preparation for entry into high demand occupational fields, developmental coursework and lifelong learning opportunities.

Community colleges have a special responsibility for workforce development and through partnerships with business and industry, provide job training, retraining, certification and skills improvement. In addition, they assume primary responsibility in the public system for offering developmental courses, programs and other educational services for individuals who seek to develop the skills needed to pursue college-level study or enter the workforce.

Rooted in their communities, the colleges serve as community leaders, identifying opportunities and solutions to community problems and contributing to the region's intellectual, cultural, and economic development. They collaborate with elementary and secondary education and work to ensure a smooth transition from secondary to post-secondary education. Through partnerships with baccalaureate institutions, they help to promote an efficient system of public higher education.

The community colleges offer an environment where the ideas and contributions of all students are respected. Academic and personal support services are provided to ensure that all students have an opportunity to achieve academic and career success.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Community Colleges	240,859	843,024	1,083,883	6,880

**Budgetary Direct Appropriations** **240,328,898**

MASSACHUSETTS COMMUNITY COLLEGES

7100-4000	For funding to community college campuses in the Commonwealth; provided, that funds shall be expended for the continued implementation of community college reform, for continued initiatives to strengthen the connections between the colleges, local businesses and regional workforce investment boards and to improve workforce training at the colleges; provided further, that funding shall be allocated among the campuses using the formula developed by the commissioner of higher education in consultation with the secretaries of education, labor and workforce development and housing and economic development; provided further, that the allocation of funds shall be approved by the board of higher education; provided further, that in developing the allocation among campuses, the commissioner shall ensure that no campus receives less in fiscal year 2014 than in fiscal year 2013; and provided further, that up to \$400,000 may be expended by the board and department of higher education on the administration of this allocation and other tasks associated with implementation of section 30 of this act General Fund ... 91.68% Community College Fund ... 8.32%	240,328,898
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**Federal Grant Spending** **4,271,489**

BRC - TRIO - TALENT SEARCH

7503-6557	For the purposes of a federally funded grant entitled, TRIO - Talent Search	230,000
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BRC - SPECIAL SERVICES FOR DISADVANTAGED STUDENTS

7503-9711	For the purposes of a federally funded grant entitled, Special Services for Disadvantaged Students	419,320
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BRC - UPWARD BOUND PROGRAM

7503-9714	For the purposes of a federally funded grant entitled, Upward Bound Program	345,431
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MWC - EDUCATIONAL OPPORTUNITY CENTERS PAYROLL

7509-1490	For the purposes of a federally funded grant entitled, Educational Opportunity Centers Payroll	298,324
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MWC - SPECIAL SERVICES FOR DISADVANTAGED

7509-9714	For the purposes of a federally funded grant entitled, Special Services for Disadvantaged	580,943
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MWC - UPWARD BOUND MATH AND SCIENCE PROGRAM

7509-9717	For the purposes of a federally funded grant entitled, Upward Bound Math and Science Program	463,000
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MWC - TALENT SEARCH

7509-9718	For the purposes of a federally funded grant entitled, Talent Search	459,314
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## FY2014 Governor's Budget Recommendation

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### MWC - MT WACHUSETT COMMUNITY COLLEGE GEAR UP 11

7509-9720	For the purposes of a federally funded grant entitled, Mt Wachusett Community College Gear Up 11	616,311
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### NSC - SPECIAL SERVICES FOR DISADVANTAGED

7511-9711	For the purposes of a federally funded grant entitled, Special Services for Disadvantaged	401,921
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### NSC - UPWARD BOUND

7511-9740	For the purposes of a federally funded grant entitled, Upward Bound	251,862
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### NSC - TALENT SEARCH

7511-9750	For the purposes of a federally funded grant entitled, Talent Search	205,063
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<b><i>Retained Revenue</i></b>		<b>529,843</b>
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### REGGIE LEWIS TRACK AND ATHLETIC CENTER RETAINED REVENUE

7515-0121	For the operation of the Reggie Lewis Track and Athletic Center, Roxbury Community College may expend an amount not to exceed \$529,739 from fees and rentals generated from track meets, conferences, meetings and other athletic events held at the center	529,843
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<b><i>Trust Spending</i></b>		<b>838,752,643</b>
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### BCC - ENDOWMENTS

7502-2200		1,500
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### BCC - OTHER TRUST FUNDS

7502-2400		8,084,900
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### BCC - PELL GRANTS

7502-2500		4,444,000
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### BCC - COLLEGE WORK STUDY FEDERAL

7502-2501		83,340
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### BCC - SUPPLEMENTAL EDUCATIONAL OPPORTUNITY

7502-2502		81,000
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### BCC - TRIO STUDENT SUPPORT SERVICES

7502-2513		511,010
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### BCC - OUT OF STATE TUITION BCC

7502-8787	86,000
BCC - TRUST FUND PAYROLL	
7502-9703	3,200,000
BCC - CHARGEBACK ADMINISTRATION	
7502-9707	95,000
BCC - MISCELLANEOUS GRANT FUNDS	
7502-9709	1,039,378
BCC - BAY STATE SKILLS GRANT PROGRAM /INTERCEPTS	
7502-9729	80,000
BRC - PELL GRANTS	
7503-2222	15,000,000
BRC - FEDERAL WORK STUDY PROGRAM	
7503-2223	264,248
BRC - SUPPLEMENTAL EDUCATIONAL OPPORTUNITY	
7503-2224	172,000
BRC - SCHOLARSHIP TRUST	
7503-2226	943,000
BRC - AGENCY FUNDS - SCHOLARSHIP	
7503-2228	880,000
BRC - PAYROLL CLEARING	
7503-4000	25,159,805
BRC - TRUST DISBURSEMENTS	
7503-4111	28,263,461
BRC - STUDENT ACTIVITY FEES	
7503-4121	2,483,249
BRC - OVERHEAD GRANT TRUST	
7503-6111	100,000

## FY2014 Governor's Budget Recommendation

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BRC - UPWARD BOUND	
7503-6114	346,000
BRC - SPECIAL GRANTS	
7503-6121	4,750,000
BRC - SPECIAL SERVICES	
7503-6131	421,000
BRC - TITLE III STRENGTHENING INSTITUTIONS	
7503-6160	100,000
BRC - DEPARTMENT OF EDUCATION GRANTS	
7503-6200	1,800,000
BRC - OVERHEAD GRANT EXPENSE TRUST	
7503-6551	765,000
BRC - STATE DEPARTMENT OF EDUCATION GRANTS	
7503-6553	650,000
BRC - OUT OF STATE TUITION BRC	
7503-8787	74,626
CCC - TRUST FUND PAYROLL	
7504-0001	2,172,192
CCC - TRUST FUNDS	
7504-4000	3,985,256
CCC - CAPE COD COMMUNITY COLLEGE WORK STUDY	
7504-4005	10,618
CCC - STUDENT SUPPORT SERVICES	
7504-4009	73,110
GCC - BOOKSTORE PAYROLL	
7505-0200	204,021
GCC - COLLEGE WORK STUDY	
7505-0501	148,196

GCC - PELL GRANTS	
7505-0502	4,253,079
GCC - SUPPLEMENTAL EDUCATIONAL OPPORTUNITY	
7505-0503	66,352
GCC - AGENCY FUNDS	
7505-0699	270,312
GCC - NON-APPROPRIATED FUNDS	
7505-0799	14,808,781
GCC - OVERHEAD GRANT EXPENSE TRUST	
7505-6551	8,399,096
GCC - GRANTS PAYROLL	
7505-6554	7,376
GCC - GREENFIELD COMMUNITY COLLEGE-OTHER FEDERAL GRANTS REPORT	
7505-7128	192,508
GCC - OUT OF STATE TUITION - GREENFIELD COMMUNITY COLLEGE	
7505-8787	77,618
HCC - OTHER FUNDS	
7506-0001	14,900,792
HCC - INSTRUCTIONAL ASSISTANCE	
7506-0008	15,609,989
HCC - CHARGEBACK	
7506-0012	18,714,882
HCC - STUDENT ACTIVITY AGENCY FUNDS	
7506-0017	545,900
HCC - OUT OF STATE TUITION - HOLYOKE COMMUNITY COLLEGE	
7506-8787	82,400
MBC - AGENCY FUNDS	

## FY2014 Governor's Budget Recommendation

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7507-6552	10,055
MBC - OTHER TRUST FUNDS	
7507-6553	52,000,000
MBC - PELL GRANT PROGRAM	
7507-6554	8,250,000
MBC - SUPPLEMENTAL EDUCATIONAL OPPORTUNITY	
7507-6556	87,000
MBC - COLLEGE WORK STUDY	
7507-6558	80,000
MBC - TRUST FUND PAYROLL	
7507-6561	15,000,000
MAS - OPERATING FUND	
7508-6025	19,000,000
MAS - TRIO-STUDENT SUPPORT SERVICES	
7508-6053	344,215
MAS - AUXILIARY FUNDS	
7508-6054	1,080,000
MAS - PELL GRANT	
7508-6101	10,625,000
MAS - SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT	
7508-6102	128,500
MAS - COLLEGE WORK STUDY PROGRAM	
7508-6103	135,100
MAS - OPERATING FUND	
7508-6125	31,500,000
MAS - AGENCY FUNDS	
7508-6190	299,200
MAS - GRANT ACTIVITY	

7508-6199	2,027,362
MAS - DIRECT LENDING	
7508-7144	5,260,000
MAS - OUT OF STATE TUITION - MASSASOIT COMMUNITY COLLEGE	
7508-8787	95,350
MWC - OVERHEAD GRANT EXPENSE TRUST	
7509-6551	121,601
MWC - DEPARTMENT OF EDUCATION FEDERAL GRANT ALLOCATION PAYROLL	
7509-6709	191,303
MWC - DAY TRUST FUNDS	
7509-9200	4,106,644
MWC - NON-FEDERAL GRANTS	
7509-9802	144,963
MWC - DCE TRUST FUND	
7509-9902	1,732,435
MWC - COLLEGE DAY TRUST PAYROLL	
7509-9903	1,871,228
NEC - NORTHERN ESSEX COMMUNITY COLLEGE GUARANTEED STUDENT LOAN	
7510-7048	9,272,173
NEC - NORTHERN ESSEX COMMUNITY COLLEGE FINANCIAL AID TRUST	
7510-7100	1,501,209
NEC - NORTHERN ESSEX COMMUNITY COLLEGE COLLEGE WORK STUDY	
7510-7120	165,749
NEC - NORTHERN ESSEX COMMUNITY COLLEGE PELL GRANTS	
7510-7121	13,540,269
NEC - SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT	
7510-7122	120,204

## FY2014 Governor's Budget Recommendation

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NEC - ALL COLLEGE PURPOSE TRUST FUND	
7510-8000	30,204,044
NEC - INSTITUTIONAL EDUCATION FEE FUND	
7510-8705	15,253,521
NEC - OUT OF STATE TUITION - NORTHERN ESSEX COMMUNITY COLLEGE	
7510-8787	410,000
NEC - ENDOWMENT SCHOLARSHIP TRUST	
7510-8900	36,000
NSC - GENERAL STUDENT FEE TRUST - CHARGEBACKS	
7511-1961	155,272
NSC - STUDENT ACTIVITIES	
7511-1963	51,671
NSC - STUDENT ACTIVITIES	
7511-1964	208,627
NSC - GENERAL STUDENT FEE TRUST	
7511-1965	17,329,385
NSC - GENERAL STUDENT FEE TRUST	
7511-1966	29,023,276
NSC - EDUCATIONAL RESERVE AND DEVELOPMENT	
7511-1971	708,673
NSC - EDUCATIONAL RESERVE AND DEVELOPMENT	
7511-1972	1,579,367
NSC - BOOKSTORE	
7511-1973	4,076,334
NSC - BOOKSTORE	
7511-1974	643,848
NSC - ALL COLLEGE PURPOSE TRUST	
7511-1975	10,199

NSC - PELL GRANT	
7511-1977	14,459,860
NSC - SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT	
7511-1978	183,525
NSC - COLLEGE WORK STUDY PROGRAM	
7511-1979	170,228
NSC - AGENCY FUNDS ACCOUNT	
7511-1980	10,251,617
NSC - STATE STUDENT AID	
7511-1981	1,231,221
NSC - WORK STUDY PAYROLL COLLEGE TRUST	
7511-1983	163,226
NSC - FACILITIES DEVELOPMENT	
7511-1985	219,124
NSC - DEPARTMENT OF EDUCATION GRANTS	
7511-6510	1,016,289
NSC - DEPARTMENT OF EDUCATION GRANTS	
7511-6511	2,522,152
NSC - SUMMER FOOD PROGRAM	
7511-6546	12,120
NSC - OVERHEAD TRUST	
7511-6552	30,282
NSC - OUT OF STATE TUITION - NORTH SHORE COMMUNITY COLLEGE	
7511-8787	97,110
QCC - STUDENT ACTIVITY TRUST FUND	
7512-6524	28,509,807
QCC - COMMUNITY COLLEGE TRUST	

## FY2014 Governor's Budget Recommendation

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7512-6551	575,000
QCC - PELL PROGRAM FUND	
7512-6601	15,000,000
QCC - SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT	
7512-6602	199,299
QCC - COLLEGE WORK STUDY PROGRAM FUND	
7512-6603	201,266
QCC - TRUST FUNDS	
7512-6620	51,215,036
QCC - AGENCY FUNDS	
7512-6640	165,432
QCC - OUT OF STATE TUITION - QUINSIGAMOND COMMUNITY COLLEGE	
7512-8787	114,198
QCC - COMMUNITY COLLEGE CENTER	
7512-9703	170,000
STC - SPRINGFIELD TECHNICAL COMMUNITY COLLEGE TRUST FUND	
7514-8520	19,961,936
STC - OUT OF STATE TUITION STC	
7514-8787	217,000
STC - FEDERAL COLLEGE WORK STUDY	
7514-8801	250,000
STC - FEDERAL PELL PROGRAM	
7514-8802	14,900,000
STC - SUPPLEMENTAL EDUCATION OPPORTUNITY FEDERAL GRANT	
7514-8803	245,000
STC - EVENING CLASSES	
7514-9702	12,399,828
RCC - DIVISION OF EXTENDED EDUCATION	

7515-9003	918,924
RCC - ALL COLLEGE PURPOSE TRUST FUND	
7515-9005	591,540
MCC - OTHER NON-APPROPRIATED TRUSTS	
7516-2000	30,625,000
MCC - AGENCY FUNDS	
7516-2075	8,550,000
MCC - PELL GRANTS	
7516-2225	11,600,000
MCC - SUPPLEMENTAL EDUCATIONAL OPPORTUNITY	
7516-2325	188,879
MCC - COLLEGE WORK STUDY	
7516-2350	168,513
MCC - TALENT SEARCH	
7516-2375	328,849
MCC - COMMON GROUND IDENTITY AND COMMUNITY	
7516-2425	2,400,000
MCC - STUDENT SUPPORT SERVICES	
7516-2450	311,328
MCC - CAREER PATHWAYS - MIDDLESEX COMMUNITY COLLEGE	
7516-2476	6,300,000
MCC - UPWARD BOUND PROGRAM	
7516-2485	250,000
MCC - OVERHEAD GRANT EXPENSE TRUST	
7516-6551	680,000
MCC - MIDDLESEX COMMUNITY COLLEGE BENEFITED EMPLOYEES	
7516-6553	13,000,000

## FY2014 Governor's Budget Recommendation

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MCC - MIDDLESEX COMMUNITY COLLEGE NON-BENEFITED EMPLOYEES	
7516-6554	12,700,000
MCC - MIDDLESEX COMMUNITY COLLEGE CHARTER SCHOOL	
7516-6555	825,000
MCC - OUT OF STATE TUITION - MIDDLESEX COMMUNITY COLLEGE	
7516-8787	168,282
BHC - PROGRAM DEVELOPMENT	
7518-6119	2,100,000
BHC - PROGRAM DEVELOPMENT	
7518-6120	3,700,000
BHC - FEDERAL STUDENT AID - PELL	
7518-6121	28,500,000
BHC - SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT	
7518-6122	375,000
BHC - FEDERAL COLLEGE WORK STUDY	
7518-6128	385,000
BHC - GENERAL COLLEGE TRUST	
7518-6300	26,000,000
BHC - GENERAL COLLEGE TRUST	
7518-6301	42,000,000
BHC - CUSTODIAL ACCOUNTS BHC	
7518-6321	8,000,000
BHC - OUT OF STATE TUITION BUNKER HILL COMMUNITY COLLEGE	
7518-8787	825,000

**Other State Universities and Colleges**

There are six comprehensive state Universities: Bridgewater State University, Fitchburg State University, Framingham State University, Salem State University, Westfield State University and Worcester State University; and three specialized colleges: Massachusetts College of Art and Design, Massachusetts College of Liberal Arts and Massachusetts Maritime Academy. All colleges integrate liberal arts and sciences programs with professional education, and the three specialized colleges also focus on academic areas identified in the college's name.

Each college and university places a special emphasis on teaching and lifelong learning and promotes a campus life that fosters intellectual, social and ethical development. Committed to excellence in instruction and to providing responsive, innovative, and educational programs of high quality, they seek to develop each student's critical thinking, quantitative, technological, oral and written communication skills and practical appreciation of the arts, sciences, and humanities as they affect good citizenship and an improved quality of life. The state colleges and universities provide a campus environment where the ideas, values, perspectives and contributions of all students are respected.

Massachusetts state colleges and universities are strategically located to facilitate access to baccalaureate and master's degree programs for Commonwealth residents who meet their high standards for admission. In recognition of their responsibilities to Massachusetts taxpayers to manage their resources efficiently and to maintain tuition and fees at a level as low as possible, each college and university has a distinctive academic focus based upon its established strengths and regional and state needs. Each college and university is a leader and resource for the community and contributes to the region's cultural, environmental and economic development.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Other State Universities and Colleges	210,480	712,359	922,839	6,132

<b>Budgetary Direct Appropriations</b>		<b>210,479,860</b>
BRIDGEWATER STATE UNIVERSITY		
7109-0100	For Bridgewater State University	37,026,561
FITCHBURG STATE UNIVERSITY		
7110-0100	For Fitchburg State University	25,493,273
FRAMINGHAM STATE UNIVERSITY		
7112-0100	For Framingham State University	23,269,775
MA COLLEGE OF LIBERAL ARTS		
7113-0100	For the Massachusetts College of Liberal Arts	13,611,909
SALEM STATE UNIVERSITY		
7114-0100	For Salem State University	38,260,193

## FY2014 Governor's Budget Recommendation

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### WESTFIELD STATE UNIVERSITY

7115-0100 For Westfield State University 22,383,965

### WORCESTER STATE UNIVERSITY

7116-0100 For Worcester State University 22,050,615

### MASSACHUSETTS COLLEGE OF ART

7117-0100 For the Massachusetts College of Art 15,024,382

### MASSACHUSETTS MARITIME ACADEMY

7118-0100 For the Massachusetts Maritime Academy 13,359,188

### **Trust Spending**

**712,359,081**

### NAC - MA COLLEGE OF LIBERAL ARTS CONTINUING EDUCATION TRUST

7107-0027 15,000

### WSC - WESTFIELD-CONTINUING EDUCATION TRUST

7107-0029 1,060,852

### WOR - CONTINUING EDUCATION TRUST

7107-0030 3,075,720

### MCA - CONTINUING EDUCATION

7107-0031 3,000,000

### BSC - AUTHORITY DORMITORY - PAYMENTS

7109-6001 4,559,225

### BSC - NON-APPROPRIATED FUNDS

7109-6010 51,138,256

### BSC - NON-APPROPRIATED FUNDS

7109-6011 89,562,328

### BSC - AGENCY FUNDS

7109-6012 14,943,239

### BSC - STUDENT GOVERNMENT ASSOCIATION PAYROLL

7109-6013 119,548

BSC - PELL GRANT	
7109-6015	12,472,428
BSC - SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT	
7109-6016	196,509
BSC - COLLEGE WORK STUDY PROGRAM	
7109-6017	441,938
BSC - PERKINS LOAN PROGRAM	
7109-6018	404,282
BSC - NATIONAL SCIENCE FOUNDATION ECLIPSE OBSERVATIONS	
7109-6043	14,053
BSC - STREAM	
7109-6047	191,822
BSC - ELIZABETH CASE STEVENS FUND	
7109-6601	5,000
BSC - ALICE SMITHICK MILLS FUND	
7109-6602	1,000
BSC - AUXILIARY OPERATIONS	
7109-6620	30,768,765
BSC - DIRECT LENDING	
7109-6624	55,821,736
BSC - TEACH GRANT	
7109-6625	280,160
BSC - OUT OF STATE TUITION	
7109-8787	900,000
FSC - PROFESSIONAL DEVELOPMENT TRUST	
7110-6015	468,100
FSC - DEPARTMENT OF EDUCATION GRANT CONTRACT REVENUE	

## FY2014 Governor's Budget Recommendation

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7110-6038	275,000
FSC - MISCELLANEOUS PAYROLL TRUST	
7110-6045	500,000
FSC - CONTINUING EDUCATION TRUST	
7110-6051	4,416,345
FSC - AUTHORITY DORMITORY PAYROLL	
7110-6052	1,865,000
FSC - ADMINISTRATIVE COST TRUST FUND	
7110-6058	320,000
FSC - SPECIAL FEE INTEREST PAYROLL	
7110-6060	11,175,000
FSC - GRANT OVERHEAD PAYROLL	
7110-6065	570,000
FSC - TRUST FUNDS	
7110-6601	60,000,000
FSC - ENDOWMENTS - FITCHBURG STATE COLLEGE	
7110-6602	450,000
FSC - PELL GRANT - FITCHBURG STATE COLLEGE	
7110-6604	5,200,000
FSC - SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT	
7110-6605	350,000
FSC - PERKINS LOAN PROGRAM - FITCHBURG STATE COLLEGE	
7110-6606	55,000
FSC - WORK STUDY - FITCHBURG STATE COLLEGE	
7110-6607	350,000
FSC - NURSING STUDENT LOANS - FITCHBURG STATE COLLEGE	
7110-6608	10,000
FSC - AGENCY FUNDS	

7110-6620	34,000,000
FSC - UPWARD BOUND PROGRAM (F71)	
7110-6630	156,328
FSC - UNEXPENDED PLANT FUND	
7110-6636	5,000,000
FSC - RETIREMENT OF INDEBTEDNESS	
7110-6637	5,200,000
FSC - ACADEMIC COMPETITIVENESS GRANT	
7110-6639	625,000
FSC - OUT OF STATE TUITION	
7110-8787	1,400,000
FRC - ARTS AND HUMANITIES TRUST FUND	
7112-6101	51,000
FRC - ATHLETICS TRUST FUND	
7112-6102	885,000
FRC - CAMPUS POLICE TRUST FUND	
7112-6104	165,000
FRC - COLLEGE CENTER TRUST FUND	
7112-6109	685,000
FRC - CONTINUING EDUCATION TRUST FUND	
7112-6110	2,600,000
FRC - RESIDENCE HALL TRUST FUND	
7112-6111	10,150,000
FRC - RESIDENCE HALL DAMAGE TRUST FUND	
7112-6112	10,000
FRC - ACADEMIC SUPPORT TRUST FUND	
7112-6113	1,700,000

## FY2014 Governor's Budget Recommendation

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FRC - COLLEGE OPERATIONS TRUST FUND

7112-6114 18,500,000

FRC - FEDERAL STUDENT FINANCIAL AID

7112-6116 28,000

FRC - GENERAL PURPOSE TRUST FUND

7112-6117 8,100,000

FRC - HEALTH TRUST FUND

7112-6119 85,000

FRC - PLANT FUND

7112-6120 450,000

FRC - LIBRARY TRUST FUND

7112-6122 455,000

FRC - MASSACHUSETTS REGENTS SCHOLARSHIP TRUST FUND

7112-6128 60,000

FRC - PLACEMENT TRUST FUND

7112-6130 28,000

FRC - PRESIDENT'S SCHOLARSHIP TRUST FUND

7112-6132 100,000

FRC - RESEARCH GRANTS AND CONTRACTS

7112-6134 2,400,000

FRC - RESIDENCE HALL COUNCIL TRUST FUND

7112-6135 3,000

FRC - STUDENT ACTIVITIES TRUST FUND

7112-6136 460,000

FRC - STUDENT ACTIVITIES CLASS AND CLUB TRUST

7112-6137 177,000

FRC - HEALTH INSURANCE TRUST FUND

7112-6139 600,000

FRC - CLEARING ACCOUNTS	
7112-6140	2,000,000
FRC - PELL GRANT	
7112-6141	4,000,000
FRC - SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT	
7112-6142	100,000
FRC - COLLEGE WORK STUDY PROGRAM	
7112-6143	100,000
FRC - PERKINS LOAN PROGRAM	
7112-6144	140,000
FRC - MARION SCHERNER LEONARD (NON ENDOWMENT)	
7112-6147	50,000
FRC - ARTS AND HUMANITIES TRUST FUND - PAYROLL	
7112-6901	2,500
FRC - ATHLETICS TRUST FUND - PAYROLL	
7112-6902	505,000
FRC - CAMPUS POLICE TRUST FUND - PAYROLL	
7112-6904	70,000
FRC - COLLEGE CENTER TRUST FUND - PAYROLL	
7112-6909	275,000
FRC - CONTINUING EDUCATION TRUST FUND - PAYROLL	
7112-6910	5,200,000
FRC - RESIDENCE HALL TRUST FUND - PAYROLL	
7112-6911	2,900,000
FRC - ACADEMIC SUPPORT TRUST FUND - PAYROLL	
7112-6913	735,000
FRC - COLLEGE OPERATIONS TRUST FUND - PAYROLL	

## FY2014 Governor's Budget Recommendation

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7112-6914	9,500,000
FRC - FEDERAL STUDENT FINANCIAL AID	
7112-6916	70,000
FRC - GENERAL PURPOSE TRUST FUND - PAYROLL	
7112-6917	600,000
FRC - HEALTH TRUST FUND - PAYROLL	
7112-6919	220,000
FRC - LIBRARY TRUST FUND - PAYROLL	
7112-6922	122,000
FRC - PLACEMENT TRUST FUND - PAYROLL	
7112-6930	147,000
FRC - RESEARCH GRANTS AND CONTRACTS	
7112-6934	1,100,000
FRC - STUDENT ACTIVITIES TRUST FUND - PAYROLL	
7112-6936	72,000
FRC - STUDENT ACTIVITIES CLASS/CLUB - PAYROLL	
7112-6937	1,000
FRC - OUT OF STATE TUITION - FRAMINGHAM STATE COLLEGE	
7112-8787	350,000
NAC - OUT OF STATE TUITION RETAINED REVENUE	
7113-0130	385,120
NAC - SPECIAL TRUST FUND	
7113-6603	4,500,000
NAC - MA COLLEGE OF LIBERAL ARTS PART-TIME TRUST PAYROLL	
7113-6604	4,000,000
NAC - TRUST FUNDS	
7113-6608	26,000,000
NAC - PELL GRANT	

7113-6701	3,010,000
NAC - SUPPLEMENTAL EDUCATIONAL OPPORTUNITY	
7113-6702	64,952
NAC - COLLEGE WORK STUDY PROGRAM	
7113-6703	319,000
NAC - PERKINS LOAN	
7113-6704	125,000
NAC - AGENCY FUND	
7113-9706	320,000
SSA - SPECIAL ASSESSMENT FUND	
7114-1113	50,000,000
SSA - STUDENT FEE CHARGEBACK	
7114-6607	8,040
SSA - COLLEGE WORK STUDY PROGRAM	
7114-6674	375,000
SSA - OUT OF STATE TUITION	
7114-8787	340,000
WSC - DORMITORY - PAYMENTS	
7115-6001	1,267,928
WSC - SPECIAL TRUST FUND	
7115-6014	5,904,855
WOR - OVERHEAD GRANT EXPENSE TRUST	
7116-6010	736,000
WOR - AUTHORITY DORMITORY TRUST	
7116-6015	1,055,000
WOR - COLLEGE WORK STUDY	
7116-6252	170,720

## FY2014 Governor's Budget Recommendation

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WOR - SUPPLEMENTAL FULL-TIME PAYROLL ACCOUNT	
7116-6602	12,554,000
WOR - SPECIAL SALARIES ACCOUNT	
7116-6603	3,454,000
WOR - NON-APPROPRIATED FUNDS	
7116-6604	22,952,000
WOR - STUDENT WAGES - NON WORK STUDY	
7116-6608	797,700
WOR - OUT OF STATE TUITION - WORCESTER STATE UNIVERSITY	
7116-8787	814,800
WOR - PELL GRANTS	
7116-9706	5,354,283
WOR - SUPPLEMENTAL EDUCATIONAL OPPORTUNITY	
7116-9707	343,017
MCA - TRUST FUNDS	
7117-2100	25,520,161
MCA - MASSACHUSETTS COLLEGE OF ART SCHOLARSHIPS	
7117-2402	3,500,000
MCA - COLLEGE WORK STUDY PROGRAM FEDERAL FUNDS	
7117-2502	88,712
MCA - PELL - FEDERAL FUNDS	
7117-2504	2,327,603
MCA - SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT	
7117-2508	96,056
MCA - AGENCY FUNDS - ACTIVITY	
7117-2600	900,000
MCA - TRUST FUND PAYROLL	
7117-3001	12,000,000

MCA - MASSACHUSETTS ART TRUST PAYROLL	
7117-4001	2,500,000
MCA - MASSACHUSETTS ART STUDENT FINANCIAL ASSISTANCE	
7117-4111	150,000
MCA - MASSACHUSETTS COLLEGE OF ART - DORMITORY TRUST FUND	
7117-6001	300,000
MMA - COLLEGE WORK STUDY PROGRAM	
7118-0005	86,000
MMA - SUPPLEMENTAL EDUCATION OPPORTUNITY GRANT	
7118-0014	80,000
MMA - PELL GRANT	
7118-0015	1,100,000
MMA - AGENCY FUNDS	
7118-1000	9,500,000
MMA - ENTERPRISE FUNDS	
7118-4000	25,000,000
MMA - AUTHORITY DORMITORY - PAYMENTS	
7118-6001	4,550,000
MMA - CONTINUING EDUCATION PAYROLL ACCOUNT	
7118-9000	2,500,000

***University of Massachusetts***

The mission of the University of Massachusetts is to provide an affordable and accessible education of high quality and to conduct programs of research and public service that advance knowledge and improve the lives of the people of the Commonwealth, the nation and the world.

	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
University of Massachusetts	479,335	861,961	1,341,296	132,032

***Budgetary Direct Appropriations*** **479,335,373**

UNIVERSITY OF MASSACHUSETTS

7100-0200 For the operation of the University of Massachusetts 478,691,873

OFFICE OF DISPUTE RESOLUTION OPERATIONS

7100-0700 For the operation of the community mediation center grant program administered by the office of dispute resolution at the University of Massachusetts at Boston under section 47 of chapter 75 of the General Laws 643,500

***Trust Spending*** **861,960,862**

UNIVERSITY OF MASSACHUSETTS AT LOWELL - CHARGEBACK

7220-0070 500,000

UMASS AT DARTMOUTH-CHARGEBACK CLEARING/MISCELLANEOUS

7310-0001 542,969

OTHER NON-APPROPRIATED FUNDS-UMASS SYSTEMS

7400-6199 517,197,294

FEDERAL NON-APPROPRIATED FUNDS-UMASS SYSTEMS

7400-6299 257,504,842

ENDOWMENT FUNDS-UMASS SYSTEMS

7400-6399 3,172,146

AGENCY FUNDS-UMASS SYSTEMS

7400-6499 57,710,020

HOSPITAL STATUTORY ACTIVITY

7400-6669 7,673,976

UMASS AT AMHERST TRUST

7410-0001 1,700,000

INTERDEPARTMENTAL CHARGEBACK

7411-0050 4,319,475

UMASS ADMINISTRATIVE FEDERAL FINANCIAL PARTICIPATIONS REVENUE

7411-0060 11,575,236

BENEFIT OFFSET TRUST-UNIVERSITY OF MASSACHUSETTS

7411-3500

64,904

## Energy and Environmental Affairs

### Fiscal Year 2014 Resource Summary (\$000)

Department	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Agricultural Resources	18,032	8,925	26,957	5,705
Department of Conservation and Recreation	82,578	41,174	123,752	23,286
Department of Energy Resources	3,875	10,956	14,831	4,686
Department of Environmental Protection	60,666	51,849	112,515	35,007
Department of Fish and Game	21,542	10,303	31,845	16,506
Department of Public Utilities	11,289	6,732	18,020	15,642
Office of the Secretary of Energy and Environmental Affairs	26,029	40,103	66,132	4,797
State Reclamation Board	0	12,022	12,022	0
<b>TOTAL</b>	<b>224,011</b>	<b>182,064</b>	<b>406,075</b>	<b>105,630</b>

### Historical Employment Levels

Department	June FY2010	June FY2011	June FY2012	Approved FY2013	Projected FY2014
Department of Agricultural Resources	66	66	63	66	66
Department of Conservation and Recreation	789	744	729	734	727
Department of Energy Resources	46	42	47	49	49
Department of Environmental Protection	593	583	572	571	572
Department of Fish and Game	232	229	239	244	242
Department of Public Utilities	89	83	88	90	97
Office of the Secretary of Energy and Environmental Affairs	201	193	190	219	206
<b>TOTAL</b>	<b>2,016</b>	<b>1,939</b>	<b>1,928</b>	<b>1,973</b>	<b>1,959</b>

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2014 FTE figures are preliminary and may not represent actual levels.

**Department of Agricultural Resources**

The Massachusetts Department of Agricultural Resources's (MDAR) mission is to ensure the long-term viability of agriculture in Massachusetts. Through its four divisions – Agricultural Conservation & Technical Assistance, Agricultural Markets, Animal Health and Crop and Pest Services – MDAR strives to support, regulate and enhance the rich diversity of the Commonwealth's agricultural community to promote economically and environmentally sound food safety and animal health measures, and fulfill agriculture's role in energy conservation and production.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Agricultural Resources	18,032	8,925	26,957	5,705

<http://www.mass.gov/agr>

**Budgetary Direct Appropriations 18,031,871**

DEPARTMENT OF AGRICULTURAL RESOURCES ADMINISTRATION

2511-0100 For the operation of the department of agricultural resources, including the division of administration, the integrated pest management program, the board of agriculture, the division of agricultural markets, the division of animal health, the division of agricultural conservation and technical assistance, the division of crop and pest services, including a program of laboratory services at the University of Massachusetts at Amherst, the expenses of the pesticide board and agency costs associated with the administration of other boards, commissions and committees chaired by the department 4,976,426

EMERGENCY FOOD ASSISTANCE PROGRAM

2511-0105 For the purchase of supplemental foods for the emergency food assistance program within the Feeding America nationally-certified food bank system of Massachusetts; provided, that the funds appropriated in this item shall reflect the Feeding America allocation formula to benefit the 4 regional food banks in Massachusetts; and provided further, that the department may assess an administrative charge not to exceed 2 per cent of the total appropriation 13,000,000

INTEGRATED PEST MANAGEMENT PROGRAM

2511-3002 For the integrated pest management program 55,446

**Federal Grant Spending 8,389,571**

MASSACHUSETTS PESTICIDE ENFORCEMENT GRANT

2511-0310 For the purposes of a federally funded grant entitled, Massachusetts Pesticide Enforcement Grant 463,691

COOPERATIVE AGRICULTURAL PEST SURVEY

## FY2014 Governor's Budget Recommendation

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2511-0400 For the purposes of a federally funded grant entitled, Cooperative Agricultural Pest Survey 152,750

### FARM AND RANCH LANDS PROTECTION PROGRAM

2511-0972 For the purposes of a federally funded grant entitled, Farm and Ranch Lands Protection Program 6,119,834

### COUNTRY OF ORIGIN LABELING - RETAIL SURVEILLANCE

2511-1025 For the purposes of a federally funded grant entitled, Country of Origin Labeling - Retail Surveillance 42,500

### ANIMAL DISEASE SURVEILLANCE

2515-1002 For the purposes of a federally funded grant entitled, Animal Disease Surveillance 21,500

### SCRAPIE DISEASE SURVEILLANCE AND FLOCK

2515-1004 For the purposes of a federally funded grant entitled, Scrapie Disease Surveillance and Flock 3,771

### HIGHLY PATHOGENIC AVIAN INFLUENZA SURVEILLANCE

2515-1008 For the purposes of a federally funded grant entitled, Highly Pathogenic Avian Influenza Surveillance 70,000

### DEVELOPMENT OF INSTITUTIONAL MARKETING

2516-9002 For the purposes of a federally funded grant entitled, Development of Institutional Marketing 500,000

### FARMERS MARKET COUPON PROGRAM

2516-9003 For the purposes of a federally funded grant entitled, Farmers' Market Coupon Program 411,600

### SENIOR FARMERS MARKET NUTRITION PROGRAM

2516-9004 For the purposes of a federally funded grant entitled, Senior Farmers' Market Nutrition Program 548,925

### ORGANIC CERTIFICATION COST-SHARE PROGRAM

2516-9007 For the purposes of a federally funded grant entitled, Organic Certification Cost-Share Program 55,000

**Trust Spending 535,520**

### EXPOSITION BUILDING MAINTENANCE FUND

2511-0001 50,000

DAIRY PROMOTION TRUST FUND	
2511-1020	330,520
MITIGATION EXPENDABLE TRUST	
2511-2234	125,000
AGRICULTURAL INSPECTION INFRASTRUCTURE TRUST FUND	
2511-2236	30,000

***Department of Conservation and Recreation***

The mission of the Department of Conservation and Recreation (DCR) is to enhance the experience of the estimated 33 million people who annually visit the more than 400 properties under its care and control. DCR is focused on three strategic goals to continue building a dynamic and unified agency while carrying out its mission of protecting, promoting and enhancing our Commonwealth's natural, cultural and recreational resources. The three goals are: maximizing resources by directing agency resources and efforts to provide the greatest value for the public we serve; nurturing partnerships by developing, cultivating and strengthening partnerships; and expanding and improving programming by creating and working with partners to support interactive, appealing programming that engages the public.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Conservation and Recreation	82,578	41,174	123,752	23,286

<http://www.mass.gov/dcr>

***Budgetary Direct Appropriations*** **68,436,208**

DEPARTMENT OF CONSERVATION AND RECREATION ADMINISTRATION		
2800-0100	For the operation of the department of conservation and recreation	4,473,480
WATERSHED MANAGEMENT PROGRAM		
2800-0101	For the watershed management program to operate and maintain reservoirs, watershed lands and related infrastructure of the department and the office of water resources in the department of conservation and recreation; provided, that the amount of the payment shall be charged to the General Fund and shall not be included in the amount of the annual determination of fiscal year charges to the Massachusetts Water Resources Authority assessed to the authority under the General Laws; and provided further, that the department shall continue to make payments under chapter 616 of the acts of 1957, as amended by section 89 of chapter 801 of the acts of 1963	1,042,010
STORMWATER MANAGEMENT		
2800-0401	For a program to provide stormwater management for all properties and	405,582

roadways under the care, custody and control of the department of conservation and recreation; provided, that the department shall implement a stormwater management program in compliance with federal and state stormwater management requirements; provided further, that the department shall inventory all stormwater infrastructure, assess its stormwater practices, analyze long-term capital and operational needs and develop a stormwater management plan to comply with federal and state regulatory requirements; and provided further, that in order to protect public safety and to protect water resources for water supply, recreational and ecosystem uses, the department shall immediately implement interim stormwater management practices including, but not limited to, street sweeping, inspection and cleaning of catch basins and emergency repairs to roadway drainage

DCR SEASONALS

2800-0501	For the operation of the beaches, pools and spray pools under the control of the department of conservation and recreation; provided, that the seasonal hires of the department of conservation and recreation's parks, beaches, pools and spray pools be paid from this item; provided further, that seasonal employees who are hired before the second Sunday before Memorial Day and whose employment continues beyond the Saturday following Labor Day and who received health insurance benefits in fiscal year 2013 shall continue to receive such benefits in fiscal year 2014 during the period of their seasonal employment; provided further, that no expenditures shall be made from this item other than for the purposes identified in this item; provided further, that notwithstanding section 1 of chapter 31 of the General Laws, seasonal positions funded by this item shall be positions requiring the services of an incumbent, on either a full-time or less than full-time basis beginning not earlier than April 1 and ending not later than November 30, or beginning not earlier than September 1 and ending not later than April 30; and provided further, that notwithstanding said section 1 of said chapter 31, seasonal positions funded by this item shall not be filled by an incumbent for more than 8 months within a 12-month period	13,595,578
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OFFICE OF DAM SAFETY

2800-0700	For the office of dam safety; provided, that the department shall, in collaboration with the department of environmental protection and the department of fish and game, establish and maintain a comprehensive inventory of all dams and develop a coordinated permitting and regulatory approach to dam removal for stream restoration and public safety	355,808
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STATE PARKS AND RECREATION

2810-0100	For the operation of the department's state parks; provided, that funds appropriated in this item shall be used to operate all of the department's parks, parkways, boulevards, roadways, bridges and related appurtenances under the care, custody and control of the division, flood control activities of the department, reservations, campgrounds, beaches and pools and for the oversight of rinks, to protect and manage the division's lands and natural resources, including the forest and parks conservation services and the bureau of forestry development; provided further, that the crossing guards located at department of conservation and recreation intersections shall continue to perform the duties where state police previously performed such duties; provided further, that no funds from this item shall be made available for payment to true seasonal employees; and provided further, that the department may issue grants to public and nonpublic entities from this item	43,899,928
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STATE HOUSE PARK RANGERS

2820-0101	For the costs associated with the department's park rangers specific to the security of the state house; provided, that funds appropriated in this item shall only be expended for the costs of security and park rangers at the state house	1,562,997
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STREETLIGHTING

2820-2000	For the operation of street lighting and the expenses of maintaining the parkways of the department of conservation and recreation	3,100,825
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**Federal Grant Spending**

**11,678,079**

NATIONAL FLOOD INSURANCE PROGRAM - FEMA COMMUNITY ASSISTANCE

2800-9707	For the purposes of a federally funded grant entitled, National Flood Insurance Program - FEMA Community Assistance	184,000
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MAP MODERNIZATION IMPLEMENTATION YEAR 5 - FEMA

2800-9710	For the purposes of a federally funded grant entitled, Map Modernization Implementation Year 5 - FEMA	90,621
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DAM SAFETY 2013 - FEMA

2800-9724	For the purposes of a federally funded grant entitled, Dam Safety 2013 - FEMA	145,967
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RURAL COMMUNITY FIRE PROTECTION

2820-9702	For the purposes of a federally funded grant entitled, Rural Community Fire Protection	60,000
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WILDLIFE INCENTIVES HABITAT PROGRAM

2820-9704	For the purposes of a federally funded grant entitled, Wildlife Incentives Habitat Program	10,600
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IDENTIFYING AND ERADICATING THE ASIAN LONGHORNED BEETLE

2820-9705	For the purposes of a federally funded grant entitled, Identifying and Eradicating the Asian Longhorned Beetle	5,560,000
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AGREEMENT TO HELP LANDOWNERS FORESTLAND

2820-9706	For the purposes of a federally funded grant entitled, Agreement to Help Landowners Forestland	75,000
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SHADE TREE AND FOREST HEALTH

2821-9705	For the purposes of a federally funded grant entitled, Shade Tree and Forest Health	384,371
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URBAN COMMUNITY FOREST TORNADO RECOVERY

## FY2014 Governor's Budget Recommendation

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2821-9708	For the purposes of a federally funded grant entitled, Urban Community Forest Tornado Recovery	356,921
FORESTRY PLANNING		
2821-9709	For the purposes of a federally funded grant entitled, Forestry Planning	1,816,978
RURAL FIRE PREVENTION AND CONTROL		
2821-9711	For the purposes of a federally funded grant entitled, Rural Fire Prevention and Control	570,767
WILDLAND URBAN INTERFACE FUELS MANAGEMNT		
2821-9713	For the purposes of a federally funded grant entitled, Wildland Urban Interface Fuels Managemnt	292,192
CREATING BUY LOCAL MODEL - STEWARDSHIP REDESIGN		
2821-9715	For the purposes of a federally funded grant entitled, Creating Buy Local Model - Stewardship Redesign	154,054
EMERGENCY FOREST RESTORATION PROGRAM FUNDING		
2821-9716	For the purposes of a federally funded grant entitled, Emergency Forest Restoration Program Funding	75,000
US FOREST SERVICE FOREST HEALTH MANAGEMENT		
2821-9726	For the purposes of a federally funded grant entitled, US Forest Service Forest Health Management	118,896
WAQUOIT BAY NATIONAL ESTUARINE RESEARCH		
2840-9709	For the purposes of a federally funded grant entitled, Waquoit Bay National Estuarine Research	536,408
2011 NOAA GRANT FOR FACILITY RENOVATIONS AT WAQUOIT BAY		
2840-9712	For the purposes of a federally funded grant entitled, 2011 NOAA Grant for Facility Renovations at Waquoit Bay	230,031
RECREATIONAL TRAILS GRANT PROGRAM		
2850-9701	For the purposes of a federally funded grant entitled, Recreational Trails Grant Program	947,900
TRANSPORTATION AND COMMUNITY PRESERVATION FOR MOUNT GREYLOCK		
2850-9702	For the purposes of a federally funded grant entitled, Transportation and Community Preservation for Mount Greylock	68,373

**Retained Revenue**

**14,141,673**

DEPARTMENT OF CONSERVATION AND RECREATION RETAINED REVENUE

2810-2041 For the department of conservation and recreation, which may expend not more than \$14,141,673 from revenue collected by the department including, but not limited to, revenues collected from all fees, permits, leases, concessions, agreements, rentals, contracts, golf courses, rinks, tickets, fines and penalties, as well as charges established by the commissioner and as received from the Massachusetts water resources authority, the Massachusetts convention center authority, the department of transportation, the department of state police and quasi-public and private entities; and for activities authorized under section 34B of chapter 92 of the General Laws; provided, that the department shall retain and deposit 80 per cent of all fees identified in this item; provided further, that if the department projects that total revenues from the fees identified in this item will exceed \$17,677,091, the department shall notify the secretary of administration and finance and the house and senate committees on ways and means; provided further, that funds in this item shall be expended for the following purposes: (a) the operation and expenses of the department, (b) expenses, upkeep and improvements to the parks and recreation system, (c) the operation and maintenance of the department's telecommunications system and (d) the operation and maintenance of the department's skating rinks and golf courses; provided further, that for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate as reported in the state accounting system; and provided further, that no expenditures made in advance of the receipts shall be permitted to exceed 75 per cent of the amount of the revenues projected by the first quarterly statement required by section 1B

14,141,673

**Trust Spending**

**29,495,801**

ROCHE COMMUNITY RINK FUND

2800-0065 50,000

NANTASKET BEACH RESERVATION TRUST FUND

2800-0647 28,000

NEW CHARLES RIVER BASIN PARKS EXPENDABLE TRUST

2800-0648 200,000

INTERSTATE FIREFIGHTING SERVICES - USDA FOREST SERVICE WILDLAN

2800-2002 65,000

ENVIRONMENTAL MANAGEMENT CONSERVATION TRUST

2800-6002 761,308

CAMPGROUND RESERVATION FEES

## FY2014 Governor's Budget Recommendation

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2800-6006	750,000
MASSACHUSETTS RE-LEAF	
2820-6006	50,000
FOREST PRODUCTS	
2820-6025	8,000
SCHOONER ERNESTINA COMMISSION	
2820-6027	5,000
WATERSHED DIVISION	
2822-1441	7,750,000
WATERSHED LAND ACQUISITION EXPENDABLE TRUST	
2822-1445	2,800,000
SALISBURY BEACH PRESERVATION TRUST FUND	
2822-1447	175,000
DIVISION OF WATER SUPPLY PROTECTION	
2830-0100	14,600,000
GENERAL PARKS TRUST PURCHASE INVESTMENTS AND PAYMENTS FROM INC	
2848-0052	829,700
PARKS LAND TRUST PURCHASES AND INVESTMENTS	
2848-0057	250,000
FUND TO BE APPROPRIATED FOR PARK LAND	
2848-0060	150,000
SPECIAL EVENTS	
2848-0066	789,210
BLUE HILLS RESERVATION TRUST	
2848-0071	132,000
REVERE BEACH RESERVATION - NORTH LOT	
2848-0072	102,583

**Department of Energy Resources**

The Massachusetts Department of Energy Resources (DOER) develops and implements policies and programs aimed at ensuring the adequacy, security, diversity and cost-effectiveness of the Commonwealth's energy supply within the context of creating a cleaner energy future. To that end, DOER strives to ensure deployment of all cost-effective energy efficiency, maximize development of clean energy resources, create and implement energy strategies to assure reliable supplies and improve the cost of clean energy relative to fossil-fuel based generation, support Massachusetts' clean energy companies and spur Massachusetts' clean energy employment.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Energy Resources	3,875	10,956	14,831	4,686

<http://www.mass.gov/doer>

**Budgetary Direct Appropriations** **3,875,341**

RESIDENTIAL CONSERVATION SERVICE PROGRAM

7006-1001	For the residential conservation service program under chapter 465 of the acts of 1980 and the commercial and apartment conservation service program pursuant to section 11A of chapter 25A of the General Laws; provided, that the assessments levied for fiscal year 2014 pursuant to said chapter 465 shall be made at a rate sufficient to produce the amount expended from this item as well as the associated fringe benefits costs for personnel paid from this item	224,111
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DEPARTMENT OF ENERGY RESOURCES ASSESSMENT

7006-1003	For the operation of the department of energy resources; provided, that notwithstanding any general or special law to the contrary, the amount assessed under section 11H of chapter 25A of the General Laws shall be equal to the amount expended from this item and the associated fringe benefits costs for personnel paid from this item	3,651,230
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**Federal Grant Spending** **2,213,052**

CATALYZING THE HOME ENERGY REMODELING MARKET

7006-9304	For the purposes of a federally funded grant entitled, Catalyzing the Home Energy Remodeling Market	855,557
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RAISING THE BAR - BUILDING ASSET RATING SYSTEM

7006-9305	For the purposes of a federally funded grant entitled, Raising the Bar - Building Asset Rating System	371,603
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STATE HEATING OIL AND PROPANE PROGRAM

## FY2014 Governor's Budget Recommendation

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7006-9720 For the purposes of a federally funded grant entitled, State Heating Oil and Propane Program 22,288

STATE ENERGY PROGRAM

7006-9730 For the purposes of a federally funded grant entitled, State Energy Program 963,604

**Trust Spending 8,743,000**

STRIPPER OIL WELL

7006-7016 3,000

DIVISION OF ENERGY RESOURCES ENERGY EFFICIENCY EXPEND TRUST

7006-7060 8,500,000

DIVISION OF ENERGY RESOURCES CREDIT

7006-7061 240,000

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### Department of Environmental Protection

The mission of the Department of Environmental Protection is to ensure that air and water are clean, toxics and hazards are managed safely, solid and hazardous wastes are recycled, hazardous waste sites and spills are cleaned up in a timely manner and wetlands and coastal resources are preserved.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Environmental Protection	60,666	51,849	112,515	35,007

<http://www.mass.gov/dep>

**Budgetary Direct Appropriations 54,394,999**

DEPARTMENT OF ENVIRONMENTAL PROTECTION ADMINISTRATION

2200-0100 For the operation of the department of environmental protection; provided, that section 3B of chapter 7 of the General Laws shall not apply to fees established under section 18 of chapter 21A of the General Laws 27,872,469

RECYCLING AND SOLID WASTE MASTER PLAN OPERATIONS

2200-0107 For technical assistance, grants and support of efforts consistent with the Massachusetts recycling and solid waste master plan and climate protection plan; provided, that funds may be expended for a recycling industry reimbursement grant program pursuant to section 241 of chapter 43 of the acts of 1997 4,375,000

COMPLIANCE AND PERMITTING

2200-0109	For the department of environmental protection for the sole purpose of ensuring sufficient staff for timely permit decisions and compliance assurance	2,505,305
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CLEAN AIR ACT

2220-2220	For the administration and implementation of the federal Clean Air Act, including the operating permit program, the emissions banking program, the auto-related state implementation program, the low emission vehicle program, the non-auto-related state implementation program and the commonwealth's commitments under the New England Governors/Eastern Canadian Premiers Action Plans for reducing acid rain deposition and mercury emissions	845,168
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CLEAN AIR ACT OPERATING PERMIT AND COMPLIANCE PROGRAM

2220-2221	For the administration and implementation of the operating permit and compliance program required under the federal Clean Air Act	1,501,435
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SAFE DRINKING WATER ACT

2250-2000	For the commonwealth's implementation of the federal Safe Drinking Water Act under section 18A of chapter 21A of the General Laws	1,501,876
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HAZARDOUS WASTE CLEANUP PROGRAM

2260-8870	For the operation of the hazardous waste cleanup and underground storage tank programs, including, but not limited to monitoring unlined landfills, notwithstanding section 4 of chapter 21J of the General Laws	14,199,453
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BROWNFIELDS SITE AUDIT PROGRAM

2260-8872	For the brownfields site audit program	1,201,562
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BOARD OF REGISTRATION OF HAZARDOUS WASTE SITE CLEANUP

2260-8881	For the operation of the board of registration of hazardous waste site cleanup professionals under section 19A of chapter 21A of the General Laws	392,730
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<b>Federal Grant Spending</b>	<b>27,409,187</b>
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WATER QUALITY MANAGEMENT PLANNING

2200-9706	For the purposes of a federally funded grant entitled, Water Quality Management Planning	649,230
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COOPERATIVE AGREEMENT LEAKING

2200-9712	For the purposes of a federally funded grant entitled, Cooperative Agreement Leaking	972,613
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DEPARTMENT OF DEFENSE ENVIRONMENTAL

## FY2014 Governor's Budget Recommendation

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2200-9717 For the purposes of a federally funded grant entitled, Department of Defense Environmental 1,322,388

### SUPERFUND BLOCK GRANT

2200-9724 For the purposes of a federally funded grant entitled, Superfund Block Grant 879,282

### BROWNFIELD'S ASSESSMENT PROGRAM MULTI-SITE CO-OP AGREEMENTS

2200-9728 For the purposes of a federally funded grant entitled, Brownfields Assessment Program 225,000

### BROWNFIELDS RESPONSE

2200-9731 For the purposes of a federally funded grant entitled, Brownfields Response 1,151,669

### PERFORMANCE PARTNERSHIP GRANT

2230-9702 For the purposes of a federally funded grant entitled, Performance Partnership Grant 18,861,340

### TECHICAL ASSISTANCE AND TRAINING FOR DRINKING WATER

2240-9773 For the purposes of a federally funded grant entitled, Techical Assistance and Training for Drinking Water 7,500

### 3% SET ASIDE ADMIN

2240-9776 For the purposes of a federally funded grant entitled, 3% Set Aside Admin 44,250

### PUBLIC WATER SUPPLY SUPERVISION GRANT

2240-9777 For the purposes of a federally funded grant entitled, Public Water Supply Supervision Grant 33,797

### CLEAN AIR ACT SECTION 103

2250-9712 For the purposes of a federally funded grant entitled, Clean Air Act Section 103 709,935

### AMBIENT AIR TOXICS PILOT PROJECT

2250-9716 For the purposes of a federally funded grant entitled, Ambient Air Toxics Pilot Project 56,909

### HOMELAND SECURITY CO-OP AGREEMENT

2250-9726 For the purposes of a federally funded grant entitled, Homeland Security Co-Op Agreement 1,411,342

### AIR POLLUTION SPATIAL TRENDS

2250-9730 For the purposes of a federally funded grant entitled, Air Pollution Spatial Trends 20,000

### DIESEL EMISSIONS REDUCTION PROJECT

2250-9731	For the purposes of a federally funded grant entitled, Diesel Emmissions Reduction Project	146,000
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UNDERGROUND STORAGE PROGRAM

2250-9732	For the purposes of a federally funded grant entitled, Underground Storage Program	663,592
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GREEN HOUSE GAS REPORTING SYSTEM

2250-9735	For the purposes of a federally funded grant entitled, Green House Gas Reporting System	70,741
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MASSACHUSETTS CLEAN DIESEL

2250-9736	For the purposes of a federally funded grant entitled, Massachusetts Clean Diesel	82,225
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AIRPORT LEAD AMBIENT

2250-9738	For the purposes of a federally funded grant entitled, Airport Lead Ambient	12,374
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NEAR ROAD NO.2 AMBIENT AIR MONITORING NETWORK

2250-9739	For the purposes of a federally funded grant entitled, Near Road Number 2 Ambient Air Monitoring Network	89,000
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<b>Retained Revenue</b>	<b>6,271,044</b>
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WETLANDS PERMITTING FEE RETAINED REVENUE

2200-0102	For the department of environmental protection, which may expend an amount not to exceed \$650,151 from revenues collected from fees for wetland permits; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate as reported in the state accounting system	650,151
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COMPLIANCE AND PERMITTING FEE RETAINED REVENUE

2200-0112	Notwithstanding any general or special law or regulation to the contrary, the department of environmental protection shall adopt emergency regulations to increase existing permit or compliance fees adopted under section 18 of chapter 21A and section 3B of chapter 21E of the General Laws to reflect the increase in the consumer price index since 2004; provided, that this fee increase shall take effect during fiscal year 2014 as soon as emergency regulations are promulgated and shall terminate in the event that: 1) this line item is abolished or reduced in fiscal year 2014, or 2) operational funding for the department falls below the level authorized in the General Appropriations Act of 2014; provided further, that revenue from said fee shall be used for the sole purpose of ensuring sufficient staff for timely permit decisions and compliance assurance; and provided further, that for the purpose of	2,500,000
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accommodating timing discrepancies between the receipt of revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment the amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system

TOXICS USE RETAINED REVENUE

2210-0105	The department of environmental protection may expend for the administration and implementation of the Massachusetts toxics use reduction act under chapter 211 of the General Laws an amount not to exceed \$3,120,893 from the revenue collected from fees, penalties, grants and tuition under chapter 211 of the General Laws; provided, that not less than \$1,657,449 from this item shall be made available for the operation of the toxics use reduction institute program at the University of Massachusetts at Lowell; provided further, that the department shall enter into an interagency service agreement with the University of Massachusetts to make such funding available for this purpose; provided further, that not less than \$644,096 from this item shall be made available for toxics use reduction technical assistance and technology in accordance with chapter 211 of the General Laws; provided further, that the department shall enter into an interagency service agreement with the executive office for energy and environmental affairs to make such funding available for this purpose; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment the amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	3,120,893
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<b><i>Trust Spending</i></b>	<b>24,439,342</b>
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SPECIAL PROJECTS PERMIT/OVERSIGHT FUND

2200-0059	3,000,000
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MERCURY MANAGEMENT ACT EXPENDABLE TRUST

2200-0086	25,000
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WATER POLLUTION ABATEMENT DEPART. OF ENVIRONMENTAL PROTECTION

2200-0350	2,000,000
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OIL SPILL PERMITTING

2200-0647	700,000
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SPRINGFIELD MATERIALS RECYCLING FACILITY - 1990-95 RESIDUAL RE

2200-0884	200,000
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DEPARTMENT OF ENVIRONMENTAL PROTECTION - DB COMPANIES INC. EXP

2200-2233	10,000
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ENERGY DEMAND REDUCTION PROGRAM TRUST FUND	
2200-2494	200,000
USGEN OF NEW ENGLAND INC.	
2200-2542	50,000
BOSTON JUNK EXPENDABLE TRUST	
2200-2673	12,000
SUSTAINABLE MATERIALS RECOVERY PROGRAM EXPENDABLE TRUST	
2200-2674	2,300,000
MOTORS LIQUIDATING COMPANY FKA GENERAL MOTORS CORP	
2200-2675	50,000
NATURAL RESOURCE DAMAGES TRUST	
2200-2676	700,000
ADMINISTRATION OF FEDERAL FUNDS	
2200-6001	4,153,947
FEDERAL WATER POLLUTION ABATEMENT	
2200-6007	2,451,002
DRINKING WATER STATE REVOLVING FUND - ADMINISTRATION TRUST	
2200-6008	7,120,621
SOUTHERN STATES ENERGY BOARD	
2200-6009	5,000
TEWKSBURY INDUSTRIES INC. EXPENDABLE TRUST SUPERIOR COURT CIVI	
2200-6010	30,000
BEDFORD HARBOR EXPENDABLE TRUST	
2200-6014	50,000
ROUTE 3 NORTH DESIGN/BUILD EXPENDABLE TRUST	
2200-6015	15,000
GENERAL ELECTRIC EXPENDABLE TRUST	

## FY2014 Governor's Budget Recommendation

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2200-6016	100,000
NORTHEAST ENERGY ASSOCIATES EXPENDABLE TRUST	
2200-6017	2,500
TRONOX INCORPORATED EXPENDABLE TRUST	
2200-6020	50,000
KATRINA PROPERTIES INC.	
2200-6021	25,000
NAVAL AIR STATION	
2200-6022	1,272
STARMET DRUM REMOVAL	
2200-6024	50,000
LUST COST RECOVERY EXPENDABLE TRUST	
2200-6383	2,000
51 OLD FERRY ROAD TRUST	
2200-6384	5,000
SILRESIM SUPERFUND LOWELL OPERATION AND MAINTENANCE CONSENT DE	
2200-6431	800,000
SILRESIM SUPERFUND LOWELL REPLACEMENT COSTS CONSENT DECREE	
2200-6432	50,000
CHARLES GEORGE TYNGSBOROUGH RESPONSE COSTS CONSENT DECREE	
2200-6433	200,000
FORT DEVENS EXPENDABLE TRUST	
2200-9725	81,000

**Department of Fish and Game**

The mission of the Department of Fish and Game is to exercise stewardship responsibility over the Commonwealth's marine and freshwater fisheries, wildlife species, plants and natural communities as well as the habitats required to support these resources; to conserve and restore the state's rivers, streams, lakes, ponds, wild lands and coastal waters; and to ensure the responsible practice of hunting, trapping and fishing, both inland and marine.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Fish and Game	21,542	10,303	31,845	16,506

<http://www.mass.gov/dfwele>

**Budgetary Direct Appropriations** **21,253,981**

DEPARTMENT OF FISH AND GAME ADMINISTRATION

2300-0100 For the office of the commissioner; provided, that the commissioner's office shall assess and receive payments from the division of marine fisheries, the division of fisheries and wildlife and all other programs under the control of the department of fish and game; provided further, that the purpose of those assessments shall be to cover appropriate administrative costs of the department, including but not limited to payroll, personnel, legal and other budgetary costs; and provided further, that the amount and contribution from each division or program shall be determined by the commissioner of fish and game 709,746

RIVERWAYS PROTECTION RESTORATION AND PUBLIC ACCESS PROMOTION

2300-0101 For the division of ecological restoration and riverways protection program and for the promotion of public access to rivers and wetland restoration, including grants to public and nonpublic entities; provided, that the positions funded in this item shall not be subject to chapter 31 of the General Laws 566,806

DIVISION OF FISHERIES AND WILDLIFE ADMINISTRATION

2310-0200 For the administration of the division of fisheries and wildlife, including the fisheries and wildlife board, the administration of game farms and wildlife restoration projects, wildlife research and management, administration of fish hatcheries, improvement and management of lakes, ponds and rivers, fish and wildlife restoration projects, the commonwealth's share of certain cooperative fishery and wildlife programs and certain programs reimbursable under the federal Aid to Fish and Wildlife Restoration Act; provided, that funds may be expended to supplement the natural heritage and endangered species program 11,136,172

Inland Fisheries and Game Fund ... 100%

NATURAL HERITAGE AND ENDANGERED SPECIES PROGRAM

2310-0300 For the operation of the natural heritage and endangered species program 150,000

HUNTER SAFETY PROGRAM

## FY2014 Governor's Budget Recommendation

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2310-0306 For the hunter safety training program 414,364  
Inland Fisheries and Game Fund ... 100%

### WILDLIFE HABITAT PURCHASE

2310-0316 For the purchase of land containing wildlife habitat and for the costs of the 1,500,000  
division of fisheries and wildlife directly related to the administration of the  
wildlands stamp program under sections 2A and 2C of chapter 131 of the  
General Laws  
Inland Fisheries and Game Fund ... 100%

### WATERFOWL MANAGEMENT PROGRAM

2310-0317 For the waterfowl management program established under section 11 of 65,000  
chapter 131 of the General Laws  
Inland Fisheries and Game Fund ... 100%

### FISHING AND BOATING ACCESS

2320-0100 For the office of fishing and boating access, including the maintenance, 480,556  
operation and improvements of public access land and water areas; provided,  
that positions funded in this item shall not be subject to chapter 31 of the  
General Laws

### DIVISION OF MARINE FISHERIES ADMINISTRATION

2330-0100 For the operation of the division of marine fisheries, including a program of 4,859,377  
enhancement and development of marine recreational fishing and related  
programs and activities, marine research programs, a commercial fisheries  
program and a shellfish management program, including coastal area  
classification, mapping and technical assistance; provided, that funds shall be  
expended on a recreational fisheries program to be reimbursed by federal  
funds; and provided further, that the division shall continue to develop  
strategies to improve federal regulations governing the commercial fishing  
industry so as to promote sustainable fisheries

### MARINE RECREATIONAL FISHERIES DEVELOPMENT AND ENHANCEMENT PROG

2330-0120 For the division of marine fisheries for a program of enhancement and 574,203  
development of marine recreational fishing and related programs and  
activities, including the cost of equipment, maintenance and staff and the  
maintenance and updating of data

### SALTWATER SPORTFISH LICENSING

2330-0300 For the administration and operation of the saltwater fishing permit program, in 797,757  
accordance with chapter 161 of the acts of 2009  
Marine Recreational Fisheries Develop Fund ... 100%

**Federal Grant Spending 4,429,425**

### USFWS EASTERN BROOK TROUT JOINT VENTURE AND FISH PASSAGE

2300-0114 For the purposes of a federally funded grant entitled, USFWS Eastern Brook 39,770  
www.mass.gov/budget/governor Page 4 - 254

Trout Joint Venture and Fish Passage

USFWS EASTERN BROOK TROUT JOINT VENTURE AND FISH PASSAGE

2300-0115	For the purposes of a federally funded grant entitled, USFWS Eastern Brook Trout Joint Venture and Fish Passage	90,000
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COASTAL PROJECTS - USFWS DIVISION OF ECOLOGICAL RESTORATION

2300-0117	For the purposes of a federally funded grant entitled, Coastal Projects - USFWS Division of Ecological Restoration	80,000
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NATIONAL COASTAL WETLANDS CONSERVATION GRANT PROGRAM

2300-0179	For the purposes of a federally funded grant entitled, National Coastal Wetlands Conservation Grant Program	2,000,000
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LANDOWNER INCENTIVE PROGRAM - TIER 1

2310-0115	For the purposes of a federally funded grant entitled, Landowner Incentive Program - Tier 1	75,000
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LANDOWNER INCENTIVE PROGRAM - TIER 2

2310-0116	For the purposes of a federally funded grant entitled, Landowner Incentive Program - Tier 2	150,000
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JUNIOR DUCK STAMP PROGRAM

2310-0118	For the purposes of a federally funded grant entitled, Junior Duck Stamp Program	3,000
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NEW ENGLAND COTTONTAIL

2310-0120	For the purposes of a federally funded grant entitled, New England Cottontail	225,000
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CLEAN VESSEL

2330-9222	For the purposes of a federally funded grant entitled, Clean Vessel	900,000
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BOATING INFRASTRUCTURE

2330-9725	For the purposes of a federally funded grant entitled, Boating Infrastructure	100,000
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INTERSTATE FISHERIES MANAGEMENT SUPPORT

2330-9730	For the purposes of a federally funded grant entitled, Interstate Fisheries Management Support	5,000
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ACCSP IMPLEMENTATION STRATEGIC PLAN

2330-9732	For the purposes of a federally funded grant entitled, ACCSP Implementation Strategic Plan	50,000
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MARINE FISHERIES INSTITUTE

## FY2014 Governor's Budget Recommendation

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2330-9736 For the purposes of a federally funded grant entitled, Marine Fisheries Institute 300,000

### TURTLE DISENGAGEMENT

2330-9739 For the purposes of a federally funded grant entitled, Turtle Disengagement 200,000

### AGE AND GROWTH PROJECT SEGMENT ONE

2330-9742 For the purposes of a federally funded grant entitled, Age and Growth Project Segment One 211,655

**Retained Revenue 287,989**

### MARINE RECREATIONAL FISHING FEE RETAINED REVENUE

2330-0121 The division of marine fisheries may expend for the sportfish restoration program an amount not to exceed \$217,989 from federal reimbursements related to sportfish restoration and from the sale of materials which promote marine recreational fishing 217,989

### SHELLFISH PURIFICATION PLANT RR

2330-0150 For the operation and maintenance of the Newburyport shellfish purification plant; provided, that the division of marine fisheries may expend not more than \$70,000 from revenue collected from fees generated by operations 70,000

**Trust Spending 5,874,000**

### DIVISION OF ECOLOGICAL RESTORATION EXPENDABLE TRUST

2300-6007 284,000

### HERITAGE AND SPECIES PROGRAM

2310-0301 1,700,000

### UPLAND SANDPIPER EXPENDABLE TRUST

2310-0302 40,000

### FISHING AND BOATING ACCESS EXPENDABLE TRUST

2320-0102 350,000

### MARINE MAMMALS FISHERIES RESEARCH AND CONSERVATION

2330-0101 3,500,000

**Department of Public Utilities**

The Department of Public Utilities is responsible for oversight of investor-owned electric power, natural gas and water utilities in the Commonwealth; developing alternatives to traditional regulation; monitoring service quality; regulating safety in the transportation and gas pipeline areas; and for the siting of energy facilities. The mission of the Department is to ensure that utility consumers are provided with the most reliable service at the lowest possible cost; to protect the public safety from transportation and gas pipeline related accidents; to oversee the energy facilities siting process; and to ensure that residential ratepayers' rights are protected.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Public Utilities	11,289	6,732	18,020	15,642

<http://www.mass.gov/dpu>

**Budgetary Direct Appropriations 8,913,750**

DEPARTMENT OF PUBLIC UTILITIES ADMINISTRATION

2100-0012 For the operation of the department of public utilities; provided, that notwithstanding the second sentence of the first paragraph of section 18 of chapter 25 of the General Laws, the assessments levied for fiscal year 2014 under said first paragraph shall be made at a rate sufficient to produce the amount expended from this item and the associated fringe benefits costs for personnel paid from this item 8,449,340

TRANSPORTATION OVERSIGHT DIVISION

2100-0013 For the operation of the transportation oversight division 359,524

STEAM DISTRIBUTION OVERSIGHT

2100-0016 For the department of public utilities to regulate steam distribution companies; provided, that notwithstanding section 18A of chapter 25 of the General Laws, the assessments levied for fiscal year 2014 shall be made at a rate sufficient to produce the amount expended from this item and the associated fringe benefits costs for personnel paid from this item 104,886

**Federal Grant Spending 1,006,074**

PIPELINE SECURITY

7006-9002 For the purposes of a federally funded grant entitled, Pipeline Security 1,006,074

**Retained Revenue 2,375,000**

ENERGY FACILITIES SITING BOARD RETAINED REVENUE

2100-0014 The department of public utilities may expend for the operation of the energy facilities siting board an amount not to exceed \$75,000 from application fees 75,000

collected in fiscal year 2014 and prior fiscal years from utility companies

UNIFIED CARRIER REGISTRATION RETAINED REVENUE

2100-0015     The department of public utilities may expend for the operation of the transportation oversight division an amount not to exceed \$2,300,000 from unified carrier registration fees collected in fiscal year 2014 and prior fiscal years from motor carrier companies 2,300,000

**Trust Spending 5,725,595**

GREEN COMMUNITIES ACT TRUST

2100-0076 496,301

DPU STORM TRUST FUND

2100-0218 254,871

UNIFIED CARRIER REGISTRATION EXPENDABLE TRUST

2100-2023 50,000

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TRUST FUND

7006-0075 4,924,423

**Office of the Secretary of Energy and Environmental Affairs**

The mission of the Office of the Secretary of Energy and Environmental Affairs is to develop and implement policies that safeguard public health from environmental threats; to preserve, protect and enhance the natural resources of the Commonwealth; and to ensure an adequate supply of energy that is reliable, affordable and clean.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Office of the Secretary of Energy and Environmental Affairs	26,029	40,103	66,132	4,797

<http://www.mass.gov/eea>

**Budgetary Direct Appropriations 25,648,704**

EXECUTIVE OFFICE OF ENERGY AND ENVIRONMENTAL AFFAIRS ADMIN

2000-0100     For the operation of the office of the secretary of energy and environmental affairs; provided, that funds shall be expended to support the functions of the office of performance management in carrying out the executive order known 5,819,522

as "Improving the Performance of State Government by Implementing a Comprehensive Strategic Planning and Performance Management Framework in the Executive Departments"

ENERGY AND ENVIRONMENT IT COSTS

2000-1700	For the provision of information technology services within the executive office of energy and environmental affairs	10,406,107
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ENVIRONMENTAL LAW ENFORCEMENT

2030-1000	For the operation of the office of environmental law enforcement	9,423,075
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<b>Federal Grant Spending</b>	<b>5,319,355</b>
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IMPLEMENTING THE MASSACHUSETTS COASTAL ZONE MANAGEMENT PROGRAM

2000-0141	For the purposes of a federally funded grant entitled, Implementing the Massachusetts Coastal Zone Management Program	2,333,800
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WETLANDS DEVELOPMENT

2000-0177	For the purposes of a federally funded grant entitled, Wetlands Development	73,117
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AQUATIC NUISANCE SPECIES MANAGEMENT PLAN

2000-0186	For the purposes of a federally funded grant entitled, Aquatic Nuisance Species Management Plan	49,950
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MASSACHUSETTS BAYS PROGRAM II

2000-0248	For the purposes of a federally funded grant entitled, Massachusetts Bays Estuary Program	699,361
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BUZZARDS BAY ESTUARY PROGRAM

2000-9735	For the purposes of a federally funded grant entitled, Buzzards Bay Estuary Program	724,006
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RECREATIONAL BOATING SAFETY PROGRAM

2030-9701	For the purposes of a federally funded grant entitled, Recreational Boating Safety Program	1,439,121
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<b>Intragovernmental Service Fund</b>	<b>1,424,257</b>
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CHARGEBACK FOR ENERGY AND ENVIRONMENT IT COSTS

2000-1701	For the cost of information technology services provided to agencies of the executive office of energy and environmental affairs Intragovernmental Service Fund ... 100%	1,424,257
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***Retained Revenue*** **380,000**

HANDLING CHARGE RETAINED REVENUE

2000-1011	For the office of environmental law enforcement which may expend revenues in an amount not to exceed \$80,000 from the administrative handling charge revenues received from electronic transactions processed through its online licensing and registration systems; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of revenues and related expenditures, the office of environmental law enforcement may incur expenses and the comptroller may certify for payment the amounts not to exceed the lower of this authorization or the most recent revenue estimate as reported in the state accounting system	80,000
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ENVIRONMENTAL LAW ENFORCEMENT PRIVATE DETAILS RETAINED REVENUE

2030-1004	The executive office of energy and environmental affairs may expend for private environmental police details, including administrative costs, an amount not to exceed \$300,000 from fees charged for the details; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	300,000
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***Trust Spending*** **33,359,680**

SEAFLOOR MAPPING EXPENDABLE TRUST

2000-0107		447,496
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REGIONAL GREENHOUSE GAS INITIATIVE AUCTION TRUST

2000-0113		30,000,000
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GLOBAL WARMING SOLUTIONS EXPENDABLE TRUST

2000-0114		87,000
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OCEAN RESOURCES AND WATERWAYS

2000-0115		132,180
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OFF-HIGHWAY VEHICLE PROGRAM

2000-0117		700,000
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MA TECH COLLABORATIVE PARTNERSHIP RENEWABLE ENERGY EXPENDABLE

2000-2077		553,004
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GULF OF MAINE CONSERVATION OF MARINE

2000-6009 40,000

MASSACHUSETTS BAY ENVIRONMENTAL TRUST FUND

2000-6051 1,400,000

**State Reclamation Board**

The mission of the State Reclamation Board is to control the population of mosquitoes and greenhead flies, and to prevent the spread of related diseases such as Eastern Equine Encephalitis (EEE) and West Nile Virus (WNV).

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
State Reclamation Board	0	12,022	12,022	0

<http://www.mass.gov/agr/mosquito/>

**Trust Spending 12,022,460**

STATE RECLAMATION BOARD ADMINISTRATION

2520-0000 289,224

CAPE COD MOSQUITO CONTROL PROJECT ASSESSMENTS

2520-0300 1,789,201

NANTUCKET MOSQUITO CONTROL MAINTENANCE

2520-0301 25,324

MARTHA'S VINEYARD MOSQUITO CONTROL

2520-0302 2,067

SUFFOLK COUNTY MOSQUITO CONTROL PROJECT ASSESSMENTS

2520-0900 265,264

CENTRAL MASSACHUSETTS MOSQUITO CONTROL PROJECT ASSESSMENTS

2520-1000 2,054,498

BERKSHIRE COUNTY MOSQUITO CONTROL PROJECT ASSESSMENTS

2520-1100 224,649

NORFOLK COUNTY MOSQUITO CONTROL PROJECT ASSESSMENTS	
2520-1200	1,592,001
BRISTOL COUNTY MOSQUITO CONTROL PROJECT ASSESSMENTS	
2520-1300	1,290,550
PLYMOUTH COUNTY MOSQUITO CONTROL PROJECT ASSESSMENTS	
2520-1400	1,791,092
NORTHEAST MOSQUITO CONTROL PROJECT ASSESSMENTS AND WETLANDS	
2520-1500	1,732,595
NORTH SHORE MOSQUITO CONTROL MAINTENANCE PROJECT	
2520-1501	70,364
EAST MIDDLESEX MOSQUITO CONTROL PROJECT ASSESSMENTS	
2520-1600	676,517
SOUTH SHORE MOSQUITO CONTROL	
2520-1700	133,114
CAPE COD GREENHEAD FLY CONTROL PROJECT ASSESSMENTS	
2520-2300	41,000
NORTH SHORE GREENHEAD FLY CONTROL PROJECT ASSESSMENTS	
2520-2500	45,000

**Health and Human Services**

**Fiscal Year 2014 Resource Summary (\$000)**

Department	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Children and Families	789,245	20,623	809,868	191,377
Department of Developmental Services	1,474,714	31,523	1,506,237	535,332
Department of Elder Affairs	3,453,064	36,457	3,489,521	1,601,730
Department of Mental Health	696,472	22,747	719,219	90,412
Department of Public Health	548,956	365,718	914,674	234,243
Department of Transitional Assistance	790,397	4,546	794,943	445,533
Department of Veterans' Services	82,485	1,852	84,338	580
Department of Youth Services	160,680	63	160,743	4,025
Massachusetts Commission for the Blind	20,172	10,154	30,325	3,198
Massachusetts Commission for the Deaf and Hard of Hearing	5,638	266	5,905	166
Massachusetts Rehabilitation Commission	43,441	102,948	146,389	3,576
Office for Refugees and Immigrants	1,000	21,481	22,481	0
Office of the Secretary of Health and Human Services	9,764,507	1,169,845	10,934,352	6,090,040
Soldiers' Home in Holyoke	21,998	0	21,998	15,561
Soldiers' Home in Massachusetts	28,323	2	28,325	14,320
<b>TOTAL</b>	<b>17,881,092</b>	<b>1,788,226</b>	<b>19,669,317</b>	<b>9,230,090</b>

**Historical Employment Levels**

Department	June FY2010	June FY2011	June FY2012	Approved FY2013	Projected FY2014
Department of Children and Families	3,228	3,192	3,154	3,173	3,173
Department of Developmental Services	6,481	6,291	6,247	6,161	6,106
Department of Elder Affairs	38	39	37	40	40
Department of Mental Health	2,924	2,853	2,937	3,286	3,101
Department of Public Health	2,272	2,270	2,290	2,366	2,409
Department of Transitional Assistance	1,409	1,511	1,531	1,565	1,535
Department of Veterans' Services	45	43	45	53	57
Department of Youth Services	913	891	859	876	876
Massachusetts Commission for the Blind	44	44	45	43	43
Massachusetts Commission for the Deaf and Hard of Hearing	50	47	47	47	47
Massachusetts Rehabilitation Commission	57	54	55	50	51
Office of the Secretary of Health and Human Services	1,149	1,060	1,035	1,096	1,105
Soldiers' Home in Holyoke	307	308	314	315	313
Soldiers' Home in Massachusetts	362	372	360	362	362
<b>TOTAL</b>	<b>19,280</b>	<b>18,975</b>	<b>18,956</b>	<b>19,433</b>	<b>19,218</b>

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2014 FTE figures are preliminary and may not represent actual levels.

**Department of Elder Affairs**

The Department of Elder Affairs promotes the independence and well-being of individuals, their families, and caregivers through the development and delivery of quality services; provides consumers with access to a full array of health and social support services in the settings of their choice; informs consumers about all their long term options, and elder protective and advocacy services; and encourages individuals across the lifespan to adopt behaviors that will lead to healthy aging.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Elder Affairs	3,453,064	36,457	3,489,521	1,601,730

<http://www.mass.gov/elders>

**Budgetary Direct Appropriations** **3,452,313,637**

MASSHEALTH SENIOR CARE

4000-0600	<p>For health care services provided to MassHealth members who are seniors, and for the operation of the senior care options program under section 9D of chapter 118E of the General Laws; provided, that funds may be expended from this item for health care services provided to these recipients in prior fiscal years; provided further, that funds shall be expended for the "community choices" initiative; provided further, that no payment for special provider costs shall be made from this item without the prior written approval of the secretary of administration and finance; provided further, that benefits for this demonstration project shall not be reduced below the services provided in fiscal year 2013; provided further, that notwithstanding any general or special law to the contrary, funds shall be expended from this item for the purpose of maintaining a personal needs allowance of up to \$72.80 per month for individuals residing in nursing homes and rest homes who are eligible for MassHealth, Emergency Aid to Elders, Disabled and Children program or Supplemental Security Income; provided further, that funds may be expended from this item to implement the pre-admission counseling and assessment program under the third paragraph of section 9 of chapter 118E of the General Laws, which shall be implemented on a statewide basis through aging and disability resource consortia; provided further, that notwithstanding any general or special law to the contrary, for any nursing home or non-acute chronic disease hospital that provides kosher food to its residents, the executive office of elder affairs, in consultation with the center for health information and analysis, in recognition of the special innovative program status granted by the executive office of health and human services, shall continue to make the standard payment rates established in fiscal year 2006 to reflect the high dietary costs incurred in providing kosher food; and provided further, that notwithstanding any general or special law to the contrary, nursing facility rates effective July 1, 2013 may be developed using the costs of calendar year 2005</p>	2,911,335,505
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MASSHEALTH NURSING HOME SUPPLEMENTAL RATES

4000-0640	<p>For nursing facility Medicaid rates; provided, that notwithstanding any general or special law to the contrary, in fiscal year 2014 the center for health information and analysis shall establish nursing facility Medicaid rates that cumulatively total \$298,600,000 more than the annual payment rates established under the rates in effect as of June 30, 2002; provided further, that</p>	298,600,000
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an amount for expenses related to the collection and administration of section 63 of chapter 118E of the General Laws shall be transferred to the executive office of health and human services; and provided further, that the payments made pursuant to this item shall be allocated in an amount sufficient to implement section 622 of chapter 151 of the acts of 1996

DEPARTMENT OF ELDER AFFAIRS ADMINISTRATION

9110-0100	For the operation of the executive office of elder affairs	2,029,910
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PRESCRIPTION ADVANTAGE

9110-1455	<p>For the costs of the drug insurance program authorized by section 39 of chapter 19A of the General Laws; provided, that amounts received by the executive office of elder affairs' vendor as premium revenue for this program may be retained and expended by the vendor for the purposes of the program; provided further, that funds shall be expended for the operation of the pharmacy outreach program established in section 4C of chapter 19A of the General Laws; provided further, that notwithstanding any general or special law to the contrary, unless otherwise prohibited by state or federal law, prescription drug coverage or benefits payable by the executive office of elder affairs and the entities with which it has contracted for administration of the subsidized catastrophic drug insurance program under said section 39 of chapter 19A, shall be the payer of last resort for this program for eligible persons with regard to any other third-party prescription coverage or benefits available to the eligible persons; provided further, that the executive office shall seek to obtain maximum federal funding for discounts on prescription drugs available to the executive office and to prescription advantage enrollees; provided further, that the executive office shall take steps for the coordination of benefits with the Medicare prescription drug benefit created under the federal Medicare Prescription Drug Improvement and Modernization Act of 2003 to ensure that Massachusetts residents take advantage of this benefit; provided further, that a person shall also be eligible to enroll in the program at any time within a year after reaching age 65; and provided further, that the executive office shall allow those who meet the program eligibility criteria to enroll in the program at any time during the year</p>	16,808,368
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ELDER ENHANCED HOME CARE SERVICES PROGRAM

9110-1500	<p>For the provision of enhanced home care services, including case management to elders who meet the eligibility requirements of the home care program and who need services above the level customarily provided under the program to remain safely at home, including elders previously enrolled in the managed care in housing, enhanced community options and chronic care enhanced services programs; provided, that the secretary of elder affairs shall actively seek to obtain federal financial participation for all services provided to seniors who qualify for Medicaid benefits under the section 1915C waiver</p>	47,266,383
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SUPPORTIVE SENIOR HOUSING PROGRAM

9110-1604	<p>For the operation of the supportive senior housing program at state or federally assisted housing sites</p>	4,150,900
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ELDER HOME CARE PURCHASED SERVICES

9110-1630	<p>For the operation of the elder home care program, including contracts with</p>	97,789,789
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aging service access points or other qualified entities for the home care program, health aides, home health and respite services, geriatric mental health services and other services provided to the elderly; provided, that a sliding fee shall be charged to qualified elders; provided further, that the secretary of elder affairs may waive collection of sliding fees in cases of extreme financial hardship; provided further, that not more than \$11,500,000 in revenues accrued from sliding fees shall be retained by the individual home care corporations without re-allocation by the executive office of elder affairs, and shall be expended for the purposes of the home care program, consistent with guidelines to be issued by the executive office; and provided further, that the secretary of elder affairs may transfer an amount not to exceed 3 percent of the funds appropriated in this item to item 9110-1633 for case management services and the administration of the home care program

ELDER HOME CARE CASE MANAGEMENT AND ADMINISTRATION

9110-1633	For the operation of the elder home care case management program, including contracts with aging service access points or other qualified entities for home care case management services and the administration of the home care corporations funded through item 9110-1630 and item 9110-1500; provided, that the contracts shall include the costs of administrative personnel, home care case managers, travel, rent and other costs deemed appropriate by the executive office of elder affairs; provided further, that no funds appropriated in this item shall be expended for the enhancement of management information systems; and provided further, that the secretary of elder affairs may transfer an amount not to exceed 3 percent of the funds appropriated to line item 9110-1630	34,666,963
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ELDER PROTECTIVE SERVICES

9110-1636	For the operation of the elder protective services program	22,063,106
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ELDER CONGREGATE HOUSING PROGRAM

9110-1660	For congregate and shared housing services for the elderly	1,824,616
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ELDER HOMELESS PLACEMENT

9110-1700	For residential assessment and placement programs for homeless elders	186,000
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ELDER NUTRITION PROGRAM

9110-1900	For the elder nutrition program	6,375,328
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GRANTS TO COUNCILS ON AGING

9110-9002	For grants to the councils on aging and for grants to or contracts with non-public entities which are consortia or associations of councils on aging	9,216,768
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<b>Federal Grant Spending</b>		<b>36,456,874</b>
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OLDER AMERICANS ACT

9110-1074	For the purposes of a federally funded grant entitled, Older Americans Act	10,182,633
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NATIONAL FAMILY CAREGIVER SUPPORT PROGRAM

9110-1077	For the purposes of a federally funded grant entitled, National Family Caregiver Support Program	3,700,000
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HEALTH INFORMATION COUNSELING

9110-1095	For the purposes of a federally funded grant entitled, Health Information Counseling	1,097,000
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OLDER AMERICANS ACT

9110-1173	For the purposes of a federally funded grant entitled, Older Americans Act	13,383,620
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NUTRITION SERVICES INCENTIVE PROGRAM

9110-1174	For the purposes of a federally funded grant entitled, Nutrition Services Incentive Program	4,885,300
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COMMUNITY SERVICE EMPLOYMENT PROGRAM

9110-1178	For the purposes of a federally funded grant entitled, Community Service Employment Program	1,933,321
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MA CHRONIC DISEASE SELF-MANAGEMENT EDUCATION PROGRAM

9110-1190	For the purposes of a federally funded grant entitled, MA Chronic Disease Self-Management Education Program	575,000
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ENHANCED ALCOHOL AND DRUG RECOVERY OPTIONS COUNSELING PROGRAM

9110-1191	For the purposes of a federally funded grant entitled, Enhanced Alcohol and Drug Recovery Options Counseling Program	700,000
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<b><i>Retained Revenue</i></b>	<b>750,000</b>
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VETERANS' INDEPENDENCE PLUS INITIATIVE

9110-2500	For the operation of the Veterans Independence Plus Initiative; provided that the executive office of elder affairs may not expend more than \$750,000 from revenues from federal reimbursements received as a joint initiative of the United States Department of Veterans' Affairs and the United States Administration on Aging	750,000
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**Department of Veterans' Services**

The mission of the Department of Veterans' Services (DVS) is to act as the chief advocate for the nearly 400,000 Commonwealth veterans and their families. We do this by: helping veterans navigate available federal, state and local programs and benefits and other resources; serving as a clearinghouse of information for veterans and their families; coordinating veterans services across state agencies and local governments; developing innovative, flexible programming and outreach to address veterans' needs; providing individualized support and interventions where necessary; providing leadership and proactively responding to systematic issues and policies that impact veterans and their families; and providing a dignified resting place for fallen heroes.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Veterans' Services	82,485	1,852	84,338	580

<http://www.mass.gov/veterans>

**Budgetary Direct Appropriations 81,920,464**

VETERANS' SERVICES ADMINISTRATION AND OPERATIONS

1410-0010 For the operation of the department of veterans' services 2,711,487

VETERANS' OUTREACH CENTERS INCLUDING HOMELESS SHELTERS

1410-0012 For services to veterans, including the maintenance and operation of outreach centers, homeless shelters and transitional housing; provided, that the centers shall provide counseling to incarcerated veterans and to Vietnam era veterans and their families who may have been exposed to agent orange; and provided further, that these centers shall also provide services to veterans who were discharged after September 11, 2001, and their families 2,167,611

WOMEN VETERANS' OUTREACH

1410-0015 For the women veterans' outreach program 75,218

TRAIN VETS TO TREAT VETS

1410-0075 For the purpose of the train vets to treat vets program; provided, that the department shall work in conjunction with the Massachusetts School of Professional Psychology to administer a behavioral health career development program for returning veterans 125,000

ASSISTANCE TO HOMELESS VETERANS

1410-0250 For the operation of homeless shelters and transitional housing for veterans 2,520,518

NEW ENGLAND SHELTER FOR HOMELESS VETERANS

1410-0251 For the maintenance and operation of homeless shelters and transitional housing for veterans at the New England Center for Homeless Veterans located in the city of Boston 2,278,543

ANNUITIES TO DISABLED VETERANS GOLD STAR PARENTS AND SPOUSES

1410-0300	For the payment of annuities to certain disabled veterans and the parents and un-remarried spouses of certain deceased veterans; provided, that the payments shall be made under section 6B of chapter 115 of the General Laws; and provided further, that after October 31 and pursuant to approval by the executive office for administration and finance, the secretary of veterans' services may transfer funds for identified deficiencies between this item and 1410-0400	22,614,000
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VETERANS' BENEFITS

1410-0400	For reimbursements to cities and towns for money paid for veterans' benefits and for payments to certain veterans under section 6 of chapter 115 of the General Laws; provided, that notwithstanding any general or special law to the contrary, 100 per cent of the amounts of veterans' benefits paid by cities and towns to residents of a soldiers' home, homeless shelter, or transitional housing facility shall be paid by the commonwealth to the cities and towns; provided further, that pursuant to section 9 of said chapter 115, the department shall reimburse cities and towns for the cost of United States flags placed on the graves of veterans on Memorial Day; provided further, that notwithstanding any general or special law to the contrary, the secretary of veterans' services shall continue a training program for veterans' agents and directors of veterans' services in cities and towns; provided further, that the department of veterans' services shall provide such training in several locations across the commonwealth; provided further, that training shall be provided annually and on an as needed basis to veterans' service organizations to provide information and education regarding the benefits available under said chapter 115 and all other benefits to which a veteran or a veteran's dependents may be entitled; provided further, that any person applying for veterans' benefits to pay for services available under chapter 118E of the General Laws shall also apply for medical assistance under said chapter 118E to minimize costs to the commonwealth and its municipalities; provided further, that veterans' agents shall complete applications authorized by the executive office under said chapter 118E for a veteran, surviving spouse or dependent applying for medical assistance under said chapter 115; provided further, that the veterans' agent shall file the application for the veteran, surviving spouse or dependent for assistance under said chapter 118E; provided further, that the executive office of health and human services shall act on all chapter 118E applications and advise the applicant and the veterans' agent of the applicant's eligibility for said chapter 118E healthcare; provided further, that the veterans' agent shall advise the applicant of the right to assistance for medical benefits under said chapter 115 pending approval of the application for assistance under said chapter 118E by the executive office; provided further, that the secretary may supplement healthcare pursuant to said chapter 118E with healthcare coverage under said chapter 115 if the secretary determines that supplemental coverage is necessary to afford the veteran, surviving spouse or dependent sufficient relief and support; provided further, that payments to, or on behalf of, a veteran, surviving spouse or dependent pursuant to said chapter 115 shall not be considered income for the purposes of determining eligibility under said chapter 118E; provided further, that benefits awarded pursuant to section 6B of said chapter 115 shall be considered countable income; and provided further, that after October 31 and pursuant to approval by the executive office for administration and finance, the secretary of veterans' services may transfer funds for identified deficiencies between this item and 1410-0300	48,327,789
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AGAWAM AND WINCHENDON VETERANS' CEMETERIES

## FY2014 Governor's Budget Recommendation

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1410-0630	For the administration of the veterans' cemeteries in the towns of Agawam and Winchendon	1,100,297
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**Federal Grant Spending** **383,000**

VETERANS' AFFAIR HOMELESS INITIATIVE

1410-0057	For the purposes of a federally funded grant entitled, Veterans' Affairs Homeless Initiative	323,000
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WINCHENDON STATE VETERANS CEMETERY

1410-8001	For the purposes of a federally funded grant entitled, WINCHENDON STATE VETERANS CEMETERY	30,000
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AGAWAM CEMETERY

1410-8002	For the purposes of a federally funded grant entitled, Agawam Cemetery	30,000
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**Retained Revenue** **565,000**

AGAWAM AND WINCHENDON CEMETERIES RETAINED REVENUE

1410-0018	The department of veterans' services may expend for the maintenance and operation of the Agawam and Winchendon veterans' cemeteries an amount not to exceed \$565,000 from revenues collected from federal reimbursements, fees, grants, gifts or other contributions to the cemeteries	565,000
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**Trust Spending** **1,469,350**

VETS TRUST FOR STATEWIDE HUD-VASH INITIATIVE

1410-0017		1,457,950
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WAR VETERANS' REIMBURSEMENT FUND

1410-0600		4,047
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AGENT TRAINING

1410-2526		7,353
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**Office of the Secretary of Health and Human Services**

The Executive Office of Health and Human Services works to improve the quality of life for the people of Massachusetts by supporting the safety, health and overall well-being of individuals, families and communities.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Office of the Secretary of Health and Human Services	9,764,507	1,169,845	10,934,352	6,090,040

<http://www.mass.gov/eohhs>

**Budgetary Direct Appropriations** **9,539,507,229**

DELIVERY SYSTEM TRANSFORMATION INITIATIVES TRUST FUND

1595-1067	For an operating transfer to the Delivery System Transformation Initiatives Trust Fund established in section 35UU of chapter 10 of the General Laws; provided, that these funds shall be expended pursuant to the delivery system transformation initiative master plan and hospital-specific plans approved in the MassHealth section 1115 demonstration for fiscal year 2014; provided further, that all payments from the Delivery System Transformation Initiatives Trust Fund shall be subject to the availability of federal financial participation, shall be made only in accordance with federally approved payment methods, shall be consistent with federal funding requirements and all federal payment limits as determined by the secretary of health and human services and shall be subject to the terms and conditions of an agreement with the executive office of health and human services; and provided further, that the secretary of health and human services shall make payments of up to \$22,426,667 from the Delivery System Transformation Initiatives Trust Fund to the cambridge public health commission for fiscal year 2014 only after the cambridge public health commission transfers up to \$11,213,334 of its funds to the Delivery System Transformation Initiatives Trust Fund using a federally permissible source of funds which shall fully satisfy the non-federal share of such payment	93,449,470
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MEDICAL ASSISTANCE TRUST FUND

1595-1068	For an operating transfer to the MassHealth provider payment account in the Medical Assistance Trust Fund established in section 2QQQ of chapter 29 of the General Laws; provided, that these funds shall be expended only for services provided during state or federal fiscal year 2014, and no amounts previously or subsequently transferred into the Medical Assistance Trust Fund shall be expended on payments described in the section 1115 demonstration waiver for services provided during state fiscal year 2014, or payments described in the state plan for services provided during federal fiscal year 2014; provided further, that all payments from the Medical Assistance Trust Fund shall be subject to the availability of federal financial participation, shall be made only in accordance with federally-approved payment methods, shall be consistent with federal funding requirements and all federal payment limits as determined by the secretary of health and human services and shall be subject to the terms and conditions of an agreement with the executive office of health and human services; provided further, that the secretary of health and human services shall notify, in writing, the house and senate committees on ways and means and the house and the joint committee on healthcare financing for any increases in payments within 15 days; and provided further,	392,000,000
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## FY2014 Governor's Budget Recommendation

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that the secretary of health and human services shall make a payment of up to \$308,050,000 from the Medical Assistance Trust Fund to the Cambridge Public Health Commission for dates of service in state and federal fiscal year 2014 only after the Cambridge Public Health Commission transfers up to \$154,025,000 of its funds to the Medical Assistance Trust Fund using a federally permissible source of funds which shall fully satisfy the non-federal share of such payment

### HEALTH INFORMATION TECHNOLOGY TRUST FUND

1595-1069	For an operating transfer to the Health Information Technology Trust Fund established in section 35RR of chapter 10 of the general laws; provided, that these funds shall be expended for operating costs for the health information exchange	1,125,000
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### SAFE AND SUCCESSFUL YOUTH INITIATIVE

4000-0005	For youth violence prevention program grants administered by the executive office of health and human services; provided, that the programs shall be targeted at reducing youth violence among young persons at highest risk for being perpetrators or victims of gun and community violence; and provided further, that these funds shall be available to those municipalities with the highest number of youth homicides and serious assaults as determined by the executive office of health and human services	10,000,000
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### PERSONAL CARE ATTENDANT COUNCIL

4000-0050	For the personal care attendant quality home care workforce council established under section 29 of chapter 118G of the General Laws	238,212
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### FAMILY ACCESS CENTERS

4000-0051	For the operation and enhancement of family access centers operated by the executive office or departments under the executive office	1,530,000
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### QUALITY CARE FUND RESERVE

4000-0114	For the purposes of establishing an executive office of health and human services pilot program that would link increased training to modest pay increases in order to reduce turnover rates; provided, that executive office of health and human services shall issue regulations for the administration and distribution of such funds and shall submit these regulations to the house and senate committees on ways and means	1,500,000
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### EOHHS AND MASSHEALTH ADMINISTRATION

4000-0300	For the operation of the office of the secretary of health and human services, including the operation of the managed care oversight board; provided, that the executive office shall provide technical and administrative assistance to agencies under the purview of the secretariat receiving federal funds; provided further, that the executive office shall continue to develop and implement the common client identifier; provided further, that funds appropriated in this item shall be expended for administrative and contracted services related to the implementation and operation of programs authorized by chapter 118E of the General Laws; provided further, that in consultation with the center for health information and analysis, no rate increase shall be provided to existing Medicaid provider rates without taking all measures possible under Title XIX of	90,598,693
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the Social Security Act to ensure that rates of payment to providers do not exceed the rates that are necessary to meet only those costs which must be incurred by efficiently and economically operated providers in order to provide services of adequate quality; provided further, that expenditures for the purposes of each item appropriated for programs authorized by chapter 118E shall be accounted for in the Massachusetts management accounting and reporting system not more than 10 days after the expenditures have been made by the Medicaid management information system; provided further, that no expenditures shall be made that are not federally reimbursable, including those related to Titles XIX or XXI of the Social Security Act or the MassHealth demonstration waiver approved under section 1115(a) of the act or the community first section 1115 demonstration waiver, whether made by the executive office or another commonwealth entity, except as required for administration of the executive office, for the equivalent of MassHealth Standard benefits for children under age 21 who are in the care or custody of the department of youth services or the department of children and families, for dental benefits provided to clients of the department of developmental services who are age 21 or over, and otherwise as explicitly authorized, or unless made for cost containment efforts the purposes and amounts of which have been submitted to the executive office for administration and finance and the house and senate committees on ways and means 30 days prior to making these expenditures; provided further, that the executive office may continue to recover provider overpayments made in the current and prior fiscal years through the Medicaid management information system, and that these recoveries shall be considered current fiscal year expenditure refunds; provided further, that the executive office may collect directly from a liable third party any amounts paid to contracted providers under chapter 118E for which the executive office later discovers another third party is liable if no other course of recoupment is possible; provided further, that no funds shall be expended for the purpose of funding interpretive services directly or indirectly related to a settlement or resolution agreement with the office of civil rights or any other office, group or entity; provided further, that interpretive services currently provided shall not give rise to enforceable legal rights for any party or to an enforceable entitlement to interpretive services; provided further, that the federal financial participation received from claims filed based on in-kind administrative services related to outreach and eligibility activities performed by certain community organizations, under the "covering kids initiative," and in accordance with the federal revenue criteria in 45 CFR 74.23 or any other federal regulation which provides a basis for federal financial participation, shall be credited to this item and may be expended, without further appropriation, on administrative services including those covered under an agreement with the organizations participating in the initiative; provided further, the executive office shall require the commissioner of mental health to approve any prior authorization or other restriction on medication used to treat mental illness in accordance with written policies, procedures and regulations of the department of mental health; and provided further, that any unexpended balance in items 4000-0430, 4000-0500, 4000-0600, 4000-0700, 4000-0870, 4000-0875, 4000-0880, 4000-0890, 4000-0895, 4000-0940, 4000-0950, 4000-0990, 4000-1400 or 4000-1405 on June 30, 2014 shall revert to the General Fund

MASSHEALTH AUDITING AND UTILIZATION REVIEWS

4000-0301	For the costs of MassHealth provider and member audit and utilization review activities including eligibility verification, disability evaluations, provider financial and clinical audits and other initiatives intended to enhance program integrity; provided, that no expenditures shall be made from this item that are not federally reimbursable; provided further, that notwithstanding any general or special law to the contrary, the state Medicaid office is hereby authorized to	4,416,519
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conduct a trial to determine the effectiveness of various fraud management tools to identify potential fraud at claims submission and validation in order to reduce Medicaid fraud prior to payment; provided further, that the state Medicaid office may employ strategies to improve systems for detection and may allow for the use of external data sources; provided further, that any such trial may test innovative technologies to improve Medicaid fraud detection and evaluate the efficacy of, among other things, a real-time model to identify and investigate potential Medicaid fraud cases prior to payment; and provided further, that the Medicaid office may use actual claims data, in accordance with federal law, to identify specific suspicious provider billing patterns, document the results of any potential fraud findings and estimate anticipated savings and benefits to the commonwealth associated with such a fraud detection system

MASSHEALTH COMMONHEALTH PLAN

4000-0430	For the CommonHealth program to provide primary and supplemental medical care and assistance to disabled adults and children under sections 9A, 16 and 16A of chapter 118E of the General Laws; provided, that funds may be expended from this item for health care services provided to the recipients in prior fiscal years; provided further, that the executive office of health and human services shall maximize federal reimbursement for state expenditures made on behalf of such adults and children; provided further, that children shall be determined eligible for the medical care and assistance if they meet the disability standards as defined by the executive office, which standards shall be no more restrictive than the standards in effect on July 1, 1996; and provided further, that the executive office shall process CommonHealth applications within 45 days of receipt of a completed application or within 90 days if a determination of disability is required	96,628,909
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MASSHEALTH MANAGED CARE

4000-0500	For health care services provided to medical assistance recipients under the executive office of health and human services' primary care clinician/mental health and substance abuse plan or through a health maintenance organization under contract with the executive office and for MassHealth benefits provided to children, adolescents and adults under clauses (a) to (d), inclusive, and clause (h) of subsection (2) of section 9A of chapter 118E of the General Laws and section 16C of said chapter 118E; provided, that no funds shall be expended from this item for children and adolescents under clause (c) of said subsection (2) of said section 9A of said chapter 118E whose family incomes, as determined by the executive office, exceed 150 per cent of the federal poverty level; provided further, that funds may be expended from this item for health care services provided to the recipients in prior fiscal years; and provided further, that expenditures from this item shall be made only for the purposes expressly stated herein	4,552,960,913
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MASSHEALTH FEE-FOR-SERVICE PAYMENTS

4000-0700	For health care services provided to medical assistance recipients under the executive office's health care indemnity/third party liability plan and medical assistance recipients not otherwise covered under the executive office for health and human services' managed care or senior care plans, and for MassHealth benefits provided to children, adolescents and adults under clauses (a) to (d), inclusive and clause (h) of subsection (2) of section 9A of chapter 118E of the General Laws and section 16C of said chapter 118E; provided, that no payments for special provider costs shall be made from this	2,247,826,061
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item without the prior written approval of the secretary of administration and finance; provided further, that no funds shall be expended from this item for children and adolescents under clause (c) of said subsection (2) of said section 9A of said chapter 118E whose family incomes, as determined by the executive office, exceed 150 percent of the federal poverty level; provided further, that children who have aged out of the custody of the department of children and families shall be eligible for benefits through the age limit specified in MassHealth's approved State Plan; provided further, that funds shall be expended from this item for members who qualify for early intervention services; provided further, that funds may be expended from this item for health care services provided to the recipients in prior fiscal years; provided further, that the executive office shall not, in fiscal year 2014, fund programs relating to case management with the intention of reducing length of stay for neonatal intensive care unit cases; provided further, that notwithstanding the foregoing, funds may be expended from this item for the purchase of third party insurance including, but not limited to, Medicare for any medical assistance recipient; provided further, that the executive office may reduce MassHealth premiums or copayments or offer other incentives to encourage enrollees to comply with wellness goals; provided further, that \$23,000,000 shall be expended from this item, or item 4000-0500, if necessary to achieve maximum federal financial participation, to enhance the ability of hospitals and community health centers to serve populations in need more efficiently and effectively; provided further, that the executive office shall maximize federal reimbursements for state expenditures made to these providers; and provided further, that funds may be expended from this item for activities relating to disability determinations or utilization management and review, including patient screenings and evaluations, regardless of whether such activities are performed by a state agency, contractor, agent or provider

MASSHEALTH BASIC COVERAGE

4000-0870 For health care services provided to adults participating in the medical assistance program under clause (g) of subsection (2) of section 9A of chapter 118E of the General Laws; provided, that funds may be expended from this item for health care services provided to the recipients in prior fiscal years 180,437,109

MASSHEALTH BREAST AND CERVICAL CANCER TREATMENT

4000-0875 For the provision of benefits to eligible women who require medical treatment for either breast or cervical cancer in accordance with section 1902(a)(10)(A)(ii)(XVIII) of the Breast and Cervical Cancer Prevention and Treatment Act of 2000, Public Law 106-354, and in accordance with section 10D of chapter 118E of the General Laws; provided, that the executive office of health and human services shall provide those benefits to women whose income, as determined by the executive office, does not exceed 250 percent of the federal poverty level, subject to continued federal approval; provided further, that eligibility for the benefits shall be extended solely for the duration of the cancerous condition; provided further, that before the provision of any benefits covered by this item, the executive office shall require screening for either breast or cervical cancer at the comprehensive breast and cervical cancer early detection program operated by the department of public health, in accordance with item 4570-2500 of section 2D; and provided further, that funds may be expended from this item for health care services provided to these recipients in prior fiscal years 5,725,199

MASSHEALTH FAMILY ASSISTANCE PLAN

4000-0880 For MassHealth benefits under clause (c) of subsection (2) of section 9A and 227,161,472

section 16C of chapter 118E of the General Laws for children and adolescents whose family incomes as determined by the executive office of health and human services are above 150 percent of the federal poverty level; provided, that funds may be expended from this item for health care services provided to children and adolescents in prior fiscal years

MASSHEALTH PREMIUM ASSISTANCE AND INSURANCE PARTNERSHIP

4000-0890	For the cost of health insurance subsidies paid to employees and employers of small businesses in the insurance reimbursement program under section 9C of chapter 118E of the General Laws; provided, that funds may be expended from this item for health care services provided to these persons in prior fiscal years; provided further, that effective January 1, 2014, funds may be expended for a pilot program for MassHealth to provide health insurance premium assistance for eligible individuals who work for small employers, who are ineligible for subsidized insurance through the Health Connector and ineligible for any other program in MassHealth; and provided further, that enrollment in such a pilot program may be capped to ensure that MassHealth expenditures do not exceed the amount appropriated herein	33,877,115
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HEALTHY START PROGRAM

4000-0895	For the healthy start program to provide medical care and assistance to pregnant women and infants residing in the commonwealth under section 10E of chapter 118E of the General Laws; provided, that funds may be expended from this item for health care services provided to these persons in prior fiscal years	14,439,991
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ACA EXPANSION POPULATIONS

4000-0940	For the purposes of providing health care services related to The Patient Protection and Affordable Care Act (ACA), Public Law 111-148, supporting related policy initiatives aimed at maintaining affordable coverage programs for current populations who otherwise would be adversely affected by ACA implementation and streamlining current programs to promote alignment, access and administrative simplification in a post-ACA coverage environment	460,907,878
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CHILDREN'S BEHAVIORAL HEALTH INITIATIVE

4000-0950	For the purposes of administrative and program expenses associated with the children's behavioral health initiative, in accordance with the settlement agreement in the case of Rosie D. et al. v. Romney, United States District Court for the District of Massachusetts civil action No. 01-30199-MAP, to provide comprehensive, community-based behavioral health services to children suffering from severe emotional disturbances; provided, that funds may be expended from this item for health care services provided to these persons in prior fiscal years	203,237,576
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CHILDREN'S MEDICAL SECURITY PLAN

4000-0990	For the children's medical security plan to provide primary and preventive health services for uninsured children from birth through age 18; provided, that the executive office of health and human services shall prescreen enrollees and applicants for Medicaid eligibility; provided further, that no applicant shall be enrolled in the program until the applicant has been denied eligibility for the MassHealth program; provided further, that the MassHealth benefit request shall be used as a joint application to determine the eligibility for both MassHealth and the children's medical security plan; provided further, that the	13,214,180
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executive office shall maximize federal reimbursements for state expenditures made on behalf of the children; provided further, that the executive office shall expend all necessary funds from this item to ensure the provision of the maximum benefit levels for this program, as authorized by section 10F of chapter 118E of the General Laws; provided further, that the maximum benefit levels for this program shall be made available only to those children who have been determined by the executive office to be ineligible for MassHealth benefits; and provided further, that funds may be expended from this item for health care services provided to these persons in prior fiscal years

MASSHEALTH HIV PLAN

4000-1400	For the purposes of providing MassHealth benefits to persons with a diagnosis of human immunodeficiency virus with incomes up to 200 percent of the federal poverty level; provided, that funds may be expended from this item for health care services provided to these persons in prior fiscal years	23,693,667
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MASSHEALTH ESSENTIAL

4000-1405	For the operation of a program of preventive and primary care for chronically unemployed persons who are not receiving unemployment insurance benefits and who are not eligible for medical assistance but who are determined by the executive office of health and human services to be long-term unemployed; provided, that such persons shall meet the eligibility requirements of the MassHealth program established in section 9A of chapter 118E of the General Laws; provided further, that persons eligible under subsection (7) of section 16D of said chapter 118E shall also be eligible to receive benefits under this item; provided further, that the income of such persons shall not exceed 100 percent of the federal poverty level; provided further, that said eligibility requirements shall not exclude from eligibility persons who are employed intermittently or on a non-regular basis; provided further, that the provision of care to such persons under this program may, taking into account capacity, continuity of care and geographic considerations, be restricted to certain providers; provided further, that the secretary of health and human services may limit or close enrollment if necessary in order to ensure that expenditures from this item do not exceed the amount appropriated herein; provided further, however, that no such limitation shall be implemented unless the secretary has given 90 days notice to the house and senate committees on ways and means and the joint committee on health care financing; and provided further, that funds may be expended from this item for health care services provided to recipients in prior fiscal years	489,878,244
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MEDICARE PART D PHASED DOWN CONTRIBUTION

4000-1420	For the purposes of making payment to the Federal Centers for Medicare and Medicaid Services (CMS) in compliance with 42 USC 1396u-5(c)(1)(a)	284,153,027
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MASSHEALTH OPERATIONS

4000-1602	For the costs associated with running MassHealth field operations according to customer service best practices and federally mandated processing times, taking into consideration both improvements in efficiencies and increases in member population; provided, that no expenditures shall be made from this item that are not federally reimbursable	3,386,727
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HEALTH CARE SYSTEM REFORM

4000-1604	For MassHealth costs associated with the implementation of the Patient	999,843
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## FY2014 Governor's Budget Recommendation

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Protection and Affordable Care Act and payment reform; provided, that no expenditures shall be made from this item that are not federally reimbursable

### HEALTH AND HUMAN SERVICES IT COSTS

4000-1700	For the provision of information technology services within the executive office of health and human services	106,121,424
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### **Federal Grant Spending**

**19,199,362**

### AFFORDABLE CARE ACT

4000-0025	For the purposes of a federally funded grant entitled, Affordable Care Act	98,022
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### PERSONAL AND HOME CARE AID STATE TRAINING

4000-0323	For the purposes of a federally funded grant entitled, Personal and Home Care Aid State Training	187,436
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### CHILDREN'S HEALTH INSURANCE PROGRAM QUALITY DEMO GRANT

4000-0544	For the purposes of a federally funded grant entitled, Children's Health Insurance Program Quality Demo Grant	2,666,404
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### MONEY FOLLOWS THE PERSON DEMONSTRATION GRANT

4000-0826	For the purposes of a federally funded grant entitled, Money Follows the Person Demonstration Grant	5,937,313
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### MY YOUNG CHILD HEALTH INITIATIVE FOR LOCAL EDUCATION AGENCIES

4000-9058	For the purposes of a federally funded grant entitled, My Young Child Health Initiative for Local Education Agencies	1,500,000
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### COMMUNITY MENTAL HEALTH SERVICES BLOCK GRANTS

4000-9401	For the purposes of a federally funded grant entitled, Community Mental Health Services Block Grants	8,810,187
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### **Intragovernmental Service Fund**

**61,075,021**

### CHARGEBACK FOR HUMAN SERVICES TRANSPORTATION

4000-0102	For the cost of transportation services for health and human services clients and the operation of the health and human services transportation office Intragovernmental Service Fund ... 100%	7,893,194
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### CHARGEBACK FOR HUMAN SERVICES ADMINISTRATION

4000-0103	For the costs of core administrative functions performed within the executive office of health and human services; provided, that the secretary of health and	21,430,223
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human services may, notwithstanding any general or special law to the contrary, identify administrative activities and functions common to the separate agencies, departments, offices, divisions and commissions within the executive office and designate them "core administrative functions" in order to improve administrative efficiency and preserve fiscal resources; provided further, that common functions that may be designated core administrative functions include, without limitation, human resources, financial management leasing and facility management provided further, that all employees performing functions so designated may be employed by the executive office and the executive office shall charge the agencies, departments, offices, divisions and commissions for these services; provided further, that upon the designation of a function as a core administrative function, the employees of each agency, department, office or commission who perform these core administrative functions may be transferred to the executive office of health and human services; provided further, that the reorganization shall not impair the civil service status of any transferred employee who immediately before the effective date of this act either holds a permanent appointment in a position classified under chapter 31 of the General Laws or has tenure in a position by reason of section 9A of chapter 30 of the General Laws; and provided further, that nothing in this section shall be construed to impair or change an employee's status, rights, or benefits under chapter 150E of the General Laws  
 Intragovernmental Service Fund ... 100%

CHARGEBACK FOR HEALTH AND HUMAN SERVICES IT

4000-1701	For the cost of information technology services provided to agencies of the executive office of health and human services Intragovernmental Service Fund ... 100%	31,751,604
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<b>Retained Revenue</b>	<b>225,000,000</b>
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MASSHEALTH RECOVERIES FROM CURRENT AND PRIOR FISCAL YEARS RR

4000-0320	For the executive office of health and human services to expend for medical care and assistance rendered in the current year an amount not to exceed \$225,000,000 from the monies received from recoveries and collections of any current or prior year expenditures; provided, that notwithstanding any general or special law to the contrary, the balance of any personal needs accounts collected from nursing and other medical institutions upon a medical assistance member's death and held by the executive office for more than three years may be credited to this item	225,000,000
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<b>Trust Spending</b>	<b>1,089,570,222</b>
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HEALTH SAFETY NET PAYMENTS NON HOSPITAL

4000-0090		74,300,000
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HEALTH SAFETY NET PAYMENTS HOSPITAL

4000-0091		268,700,000
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HEALTH SAFETY NET CLAIMS OPERATIONS

**FY2014 Governor's Budget Recommendation**

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4000-0092	7,000,000
MONEY FOLLOWS THE PERSON REBALANCING GRANT TRUST FUND	
4000-0129	6,807,419
CONNECTOR ADMINISTRATION EXPENDABLE TRUST	
4000-0330	5,000,000
DELIVERY SYSTEM TRANSFORMATION INCENTIVE PAYMENTS	
4000-1067	104,662,803
MEDICAL ASSISTANCE TRUST FUND	
4000-1068	544,000,000
HEALTH INFORMATION TECHNOLOGY TRUST FUND	
4000-1069	68,400,000
MASSHEALTH INFORMATION EXCHANGE FUND	
4000-1224	700,000
HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT FUND	
4000-4000	10,000,000

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***Department of Children and Families***

The Department of Children and Families is charged with protecting children from abuse and neglect and strengthening families. There are currently more than 8,000 children in foster care across Massachusetts and more than 40,000 children in all served by the Department.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Children and Families	789,245	20,623	809,868	191,377

<http://www.mass.gov/dcf>

***Budgetary Direct Appropriations*** **785,167,577**

CLINICAL SUPPORT SERVICES AND OPERATIONS

4800-0015	For central, regional and area office clinical support services, operations and administration; provided, that the associated expenses of employees whose	69,346,589
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AA and DD object class costs are paid from item 4800-1100 shall be paid from this item; provided further, that the commissioner of the department of children and families may transfer funds between items 4800-0030, 4800-0038, 4800-0040 and 4800-0041 as necessary, pursuant to an allocation plan, which shall detail by object class the distribution of the funds to be transferred and which the commissioner shall file with the house and senate committees on ways and means 15 days prior to any such transfer; and provided further, that not more than 5 per cent of any item shall be transferred in fiscal year 2014

FOSTER CARE REVIEW

4800-0025	For foster care review services	3,001,961
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DCF LOCAL AND REGIONAL MANAGEMENT OF SERVICES

4800-0030	For the continuation of local and regional coordination and management of services; provided, that flex services may be funded from this item	6,000,000
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SEXUAL ABUSE INTERVENTION NETWORK

4800-0036	For a sexual abuse intervention network program to be administered in conjunction with the district attorneys	698,740
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SERVICES FOR CHILDREN AND FAMILIES

4800-0038	For services to children and families including but not limited to permanency, stabilization, placement and congregate care; provided, that the department may contract with provider agencies for the coordination and management of services, including flex	252,275,269
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FAMILY SUPPORT AND STABILIZATION

4800-0040	For family preservation and unification services	45,410,551
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CONGREGATE CARE SERVICES

4800-0041	For congregate care services; provided, that funds may be expended from this item to provide intensive community-based services, including intensive in-home support and stabilization services, to children who would otherwise be placed in residential settings	212,967,991
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PLACEMENT SERVICES FOR JUVENILE OFFENDERS

4800-0151	For a program to provide alternative overnight non-secure placements for status offenders and nonviolent delinquent youths up to the age of 17 in order to prevent the inappropriate use of juvenile cells in police stations for such offenders, in compliance with the federal Juvenile Justice and Delinquency Prevention Act of 1974, as amended; provided, that the programs which provide the alternative non-secure placements shall collaborate with the appropriate county sheriff's office to provide referrals of those offenders and delinquent youths to any programs within the sheriff's office designed to positively influence youths or reduce, if not altogether eliminate, juvenile crime	1,024,772
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SOCIAL WORKERS FOR CASE MANAGEMENT

4800-1100	For the salaries and benefits of the department's social workers	172,833,758
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## FY2014 Governor's Budget Recommendation

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### SUPPORT SERVICES FOR PEOPLE AT RISK OF DOMESTIC VIOLENCE

4800-1400	For shelters and support services, including payroll costs, for people at risk of domestic violence and for the operation of the New Chardon Street homeless shelter	21,607,946
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**Federal Grant Spending** **17,005,832**

### CHILDREN'S JUSTICE ACT

4800-0005	For the purposes of a federally funded grant entitled, Children's Justice Act	407,717
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### FAMILY VIOLENCE PREVENTION AND SERVICES

4800-0007	For the purposes of a federally funded grant entitled, Family Violence Prevention and Services	1,892,892
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### INDEPENDENT LIVING PROGRAM - TITLE IV-E

4800-0009	For the purposes of a federally funded grant entitled, Independent Living Program - Title IV-E	2,860,911
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### PROMOTING SAFE AND STABLE FAMILIES PROGRAM

4800-0013	For the purposes of a federally funded grant entitled, Promoting Safe and Stable Families Program	5,455,202
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### EDUCATION AND TRAINING VOUCHER PROGRAM

4800-0085	For the purposes of a federally funded grant entitled, Education and Training Voucher Program	1,057,401
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### CHILD WELFARE SERVICES

4899-0001	For the purposes of a federally funded grant entitled, Child Welfare Services	4,132,275
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### CHILD ABUSE PREVENTION AND TREATMENT ACT

4899-0022	For the purposes of a federally funded grant entitled, Child Abuse Prevention and Treatment Act	495,801
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### MASSACHUSETTS CHILD TRAUMA PROJECT

4899-0025	For the purposes of a federally funded grant entitled, Massachusetts Child Trauma Project	703,633
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**Retained Revenue** **4,077,119**

### ROCA RETAINED REVENUE FOR CITIES AND TOWNS

4800-0016	The department of children and families may expend for the operation of the transitional employment program an amount not to exceed \$2,000,000 from	2,000,000
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revenues collected for services provided by the participants; provided, that notwithstanding any general or special law to the contrary, the department may enter into a contract with Roca, Inc. to manage the transitional employment program and to provide services to participants from the aging-out population, parolees, probationers, youth service releasees or other community residents considered to have employment needs

CHILD WELFARE TRAINING INSTITUTE RETAINED REVENUE

4800-0091	The department of children and families may expend for the purpose of administering a child welfare professional development training institute an amount not to exceed \$2,077,119 from federal reimbursements received under Title IV-E of the Social Security Act; provided, that notwithstanding any general or special law to the contrary, for the purposes of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	2,077,119
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<b>Trust Spending</b>	<b>3,617,666</b>
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PRIVATE DONATIONS

4800-3110		20,629
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TITLE II AND TITLE XVI BENEFITS

4800-8105		3,189,767
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NEW CHARDON STREET TEMPORARY HOME

4899-8102		29,101
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SCHOLARSHIP TRUST FUND

4899-8103		191,669
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CASEY FAMILY-CENTERED PRACTICE EXPENDABLE TRUST

4899-8104		186,500
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**Department of Transitional Assistance**

The mission of the Department of Transitional Assistance is to assist low-income individuals and families to meet their basic needs, increase their incomes and improve their quality of life.

	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Resource Summary (\$000)				

## FY2014 Governor's Budget Recommendation

Department of Transitional Assistance	790,397	4,546	794,943	445,533
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www.mass.gov/dta

### **Budgetary Direct Appropriations**

**790,396,659**

#### DEPT. OF TRANSITIONAL ASSISTANCE ADMINISTRATION & OPERATION

4400-1000	For the operation of the department of transitional assistance; provided, that funds may be expended for a grant with Project Bread - The Walk for Hunger, Inc.; provided further, that after April 1, 2014, the commissioner of the department of transitional assistance may transfer funds for identified deficiencies between items, 4403-2000, 4405-2000 and 4408-1000; and provided further, that the distribution of the funds to be transferred shall be included in an allocation plan, which the commissioner shall file with the house and senate committees on ways and means 15 days prior to any such transfer	65,164,826
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#### DOMESTIC VIOLENCE SPECIALISTS

4400-1025	For domestic violence specialists at local area offices	892,715
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#### CASEWORKERS RESERVE

4400-1100	For the payroll of the department's caseworkers; provided, that only employees of bargaining unit 8 shall be paid from this item	65,425,171
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#### EMPLOYMENT SERVICES PROGRAM

4401-1000	For employment and training services for recipients of benefits provided under the transitional aid to families with dependent children program; provided, that funds from this item may be expended on former recipients of the program for up to 1 year after termination of their benefits; and provided further, that certain parents who have not yet reached the age of 18 years, including those who are ineligible for transitional aid to families with dependent children and who would qualify for benefits under chapter 118 of the General Laws but for the deeming of the grandparents' income, shall be eligible to receive services	7,403,855
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#### TRANSITIONAL AID TO FAMILIES WITH DEPENDENT CHILDREN GRANT PMT

4403-2000	For the operation of a program of transitional aid to families with dependent children; provided, that notwithstanding any general or special law to the contrary, benefits under the program shall be paid only to citizens of the United States and to non-citizens for whom federal funds may be used to provide benefits; provided further, that the need standard shall be equal to the standard in effect in fiscal year 2013 unless the department determines that a reduction in the monthly payment standard should be implemented before the end of the fiscal year to keep program expenditures within the amounts appropriated in this item; provided further, that the payment standard shall be equal to the need standard; provided further, that the payment standard for families who do not qualify for an exempt category of assistance under subsection (e) of section 110 of chapter 5 of the acts of 1995 shall be 2.75 per cent below the payment standard, under the state plan required under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996; provided further, that notwithstanding section 218 of chapter 149 of the acts of 2004, recipients whose youngest child of record is of the age at which full time schooling is mandatory or older shall be required to participate in 30 hours per week of a work-related activity; provided further, that the department of transitional assistance shall notify all teen parents receiving benefits from the	313,857,786
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programs of the requirements in clause (2) of subsection (i) of section 110; provided further, that a \$40 per month rent allowance shall be paid to all households incurring a rent or mortgage expense and not residing in public housing or subsidized housing; provided further, that a non-recurring children's clothing allowance of \$150 shall be provided to each child eligible under these programs in September 2013; provided further, that the children's clothing allowance may be included in the standard of need for the month of September 2013; provided further, that benefits under this program shall not be available to those families in which a child has been removed from the household under a court order after a care and protection hearing on child abuse, nor to adult recipients otherwise eligible for transitional aid to families with dependent children but for the temporary removal of the dependent child or children from the home by the department of children and families in accordance with that department's procedures; provided further, that notwithstanding section 2 of chapter 118 of the General Laws or any other general or special law to the contrary, the department shall render aid to pregnant women with no other eligible dependent children only if it has been medically verified that the child is expected to be born within the month these payments are to be made or within the 3 month period following the month of payment, and who, if the child had been born and was living with her in the month of payment, would be categorically and financially eligible for transitional aid to families with dependent children benefits; provided further, that certain families that suffer a reduction in benefits due to a loss of earned income and participation in retrospective budgeting may receive a supplemental benefit to compensate them for this loss; and provided further, that the department may review and revise its disability standards to reflect current medical and vocational criteria

SUPPLEMENTAL NUTRITIONAL PROGRAM

4403-2007	For a nutritional benefit program for low-income workers; provided, that benefits shall be provided only to those for whom receiving these benefits will improve the work participation rate under the federal program of temporary assistance for needy families	1,200,000
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TEEN STRUCTURED SETTINGS PROGRAM

4403-2119	For the provision of structured settings as provided in subsection (i) of section 110 of chapter 5 of the acts of 1995, or any successor statute, for parents under the age of 20 who are receiving benefits under the transitional aid to families with dependent children program	8,694,318
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STATE SUPPLEMENT TO SUPPLEMENTAL SECURITY INCOME

4405-2000	For the state supplement to the supplemental security income program for the aged and disabled, including a program for emergency needs for supplemental security income recipients; provided, that the expenses of special grants recipients residing in rest homes, as provided in section 7A of chapter 118A of the General Laws, may be paid from this item; provided further, that the department, in collaboration with the executive office of health and human services, may fund an optional supplemental living arrangement category under the supplemental security income program that makes payments to persons living in assisted living residences certified under chapter 19D of the General Laws who meet the income and clinical eligibility criteria established by the department and the office; provided further, that the optional category of payments shall only be administered in conjunction with the Medicaid group adult foster care benefit; and provided further, that reimbursements to providers for services rendered in prior fiscal years may be	232,688,118
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expended from this item

EMERGENCY AID TO THE ELDERLY DISABLED AND CHILDREN

4408-1000	<p>For a program of cash assistance to certain residents of the commonwealth, entitled emergency aid to the elderly, disabled and children found by the department to be eligible for the aid under chapter 117A of the General Laws and regulations promulgated by the department and subject to the limitations of appropriation therefore; provided, that benefits under this item shall only be provided to residents who are citizens of the United States or qualified aliens or non-citizens otherwise permanently residing in the United States under color of law and shall not be provided to illegal or undocumented aliens; provided further, that the individual shall not be a subject to sponsor income deeming or related restrictions; provided further, that the payment standard shall equal the payment standard in effect under the general relief program in fiscal year 1991; provided further, that the department may provide benefits to persons age 65 or older who have applied for benefits under chapter 118A of the General Laws, to persons suffering from a medically-determinable impairment or combination of impairments which is expected to last for a period as determined by department regulations and which substantially reduces or eliminates such individuals' capacity to support themselves and which has been verified by a competent authority, to certain persons caring for a disabled person, to otherwise eligible participants in the vocational rehabilitation program of the Massachusetts rehabilitation commission and to dependent children who are ineligible for benefits under both chapter 118 of the General Laws and the separate program created by section 210 of chapter 43 of the acts of 1997 and parents or other caretakers of dependent children who are ineligible under said chapter 118 and under said separate program; provided further, that no ex-offender, person over age 45 without a prior work history or person in a residential treatment facility shall be eligible for benefits under this program unless the person otherwise meets the eligibility criteria described in this item and defined by regulations of the department; provided further, that no person incarcerated in a correctional institution shall be eligible for benefits under the program; provided further, that no funds shall be expended from this item for the payment of expenses associated with any medical review team, other disability screening process or costs associated with verifying disability for this program; provided further, that in promulgating, amending or rescinding its regulations with respect to eligibility or benefits, including the payment standard, medical benefits and any other benefits under this program, the department shall take into account the amounts available to it for expenditure by this item so as not to exceed the amount appropriated in this item; provided further, that reimbursements collected from the Social Security Administration on behalf of former clients of the emergency aid to the elderly, disabled and children program or unprocessed payments from the program that are returned to the department shall be credited to the General Fund; and provided further, that notwithstanding any general or special law to the contrary, the funds made available in this item shall be the only funds available for the program, and the department shall not spend funds for the program in excess of the amount made available in this item</p>	95,069,870
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<b>Federal Grant Spending</b>	<b>4,520,000</b>
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INCREASE FARMERS MARKET ACCESS TO SNAP

4400-3063	<p>For the purposes of a federally funded grant entitled, Increase Farmers Market Access to SNAP</p>	20,000
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SNAP NUTRITION EDUCATION AND OBESITY PREVENTION

4400-3064	For the purposes of a federally funded grant entitled, SNAP Nutrition Education and Obesity Prevention	3,000,000
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SNAP EMPLOYMENT AND TRAINING

4400-3067	For the purposes of a federally funded grant entitled, SNAP Employment and Training	1,000,000
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SNAP HEALTHY INCENTIVES PILOT

4400-3080	For the purposes of a federally funded grant entitled, SNAP Healthy Incentives Pilot	500,000
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<b>Trust Spending</b>	<b>26,340</b>
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ARLOTTIE A. POTTS TRUST

4400-0066		1,340
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ADVANCED MODERN INITIATIVES PARTICIPATION EXPENDABLE

4401-0066		25,000
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**Department of Youth Services**

As the juvenile justice agency for the Commonwealth of Massachusetts, the Department of Youth Services promotes positive change in the youth in our care and custody.

Our mission is to make communities safer by improving the life outcomes for youth in our care. We achieve our mission through investing in highly qualified staff and a service continuum that engages youth, families and communities in strategies that support positive youth development.

	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Youth Services	160,680	63	160,743	4,025

<http://www.mass.gov/dys>

<b>Budgetary Direct Appropriations</b>	<b>160,680,244</b>
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DEPARTMENT OF YOUTH SERVICES ADMINISTRATION AND OPERATIONS

4200-0010	For the administration of the department of youth services	4,082,818
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NON-RESIDENTIAL SERVICES FOR COMMITTED POPULATION

## FY2014 Governor's Budget Recommendation

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4200-0100	For supervision, counseling and other community-based services provided to committed youths in non-residential care programs of the department; provided, that the commissioner may transfer up to 7 per cent of the amount appropriated in this item to items 4200-0200 and 4200-0300; and provided further, that 15 days before any such transfer is made, the commissioner shall file with the secretary of administration and finance and the house and senate committees on ways and means a plan showing the amounts to be transferred and the reason for the proposed transfer	22,967,337
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### RESIDENTIAL SERVICES FOR DETAINED POPULATION

4200-0200	For pretrial detention programs, including purchase-of-service and state-operated programs; provided, that the commissioner may transfer up to 7 per cent of the amount appropriated to items 4200-0100 and 4200-0300; and provided further, that 15 days before any transfer is made, the commissioner shall file with the secretary of administration and finance and the house and senate committees on ways and means a plan showing the amounts to be transferred and the reason for the proposed transfer	21,738,695
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### RESIDENTIAL SERVICES FOR COMMITTED POPULATION

4200-0300	For secure facilities, including purchase-of-service and state-operated programs incidental to the operations of the facilities; provided, that the commissioner may transfer up to 7 per cent of the amount appropriated in this item to items 4200-0100 and 4200-0200; and provided further, that 15 days before any such transfer is made, the commissioner shall file with the secretary of administration and finance and the house and senate committees on ways and means a plan showing the amounts to be transferred and the reason for the proposed transfer	106,654,956
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### DEPARTMENT OF YOUTH SERVICES TEACHER SALARIES

4200-0500	For enhanced salaries for teachers at the department of youth services	3,136,439
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### DEPARTMENT OF YOUTH SERVICES ALTERNATIVE LOCK UP PROGRAM

4200-0600	For the operation of secure facilities to detain arrested youth prior to arraignment under the alternative lock up program	2,100,000
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<b>Trust Spending</b>		<b>62,720</b>
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### ANNIE E. CASEY FOUNDATION GRANT

4202-0602		3,531
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### DEPARTMENT OF YOUTH SERVICES - SCHOOL LUNCH PROGRAM

4202-2112		9,189
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### DYS EXPENDABLE TRUST

4202-8001		50,000
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**Office for Refugees and Immigrants**

The mission of the Office for Refugees and Immigrants is to promote the full participation of refugees and immigrants as self-sufficient individuals and families in the economic, social and civic life of Massachusetts.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Office for Refugees and Immigrants	1,000	21,481	22,481	0

<http://mass.gov/ori>

**Budgetary Direct Appropriations 1,000,000**

LOW-INCOME CITIZENSHIP PROGRAM

4003-0122	For a citizenship for new americans program to assist legal permanent residents of the commonwealth who will be eligible for citizenship within 3 years in becoming citizens of the United States; provided, that persons who would qualify for benefits under chapter 118A of the General Laws but for their status as legal non-citizens shall be given highest priority for services; provided further, that persons who currently receive state-funded benefits which could be replaced in whole or in part by federally-funded benefits if these persons become citizens, shall be given priority for services; and provided further, that funds may be expended for the programmatic and administrative support of the agency's refugee services	1,000,000
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**Federal Grant Spending 21,464,041**

REFUGEE SCHOOL IMPACT

4003-0803	For the purposes of a federally funded grant entitled, Refugee School Impact	415,000
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REFUGEE TARGETED ASSISTANCE PROGRAM

4003-0804	For the purposes of a federally funded grant entitled, Refugee Targeted Assistance Program	854,392
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REFUGEE SOCIAL SERVICES PROGRAM

4003-0805	For the purposes of a federally funded grant entitled, Refugee Social Services Program	1,592,697
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MASSACHUSETTS REFUGEE ENTREPRENEUR PROGRAM

4003-0811	For the purposes of a federally funded grant entitled, Massachusetts Refugee and Entrepreneur Assistance Program	250,000
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SERVICES TO OLDER REFUGEES

## FY2014 Governor's Budget Recommendation

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4003-0812 For the purposes of a federally funded grant entitled, Services to Older Refugees 100,000

### CUBAN HAITIAN SERVICE PROGRAM

4003-0813 For the purposes of a federally funded grant entitled, Cuban Haitian Service Program 100,000

### REFUGEE PREVENTATIVE HEALTH

4003-0814 For the purposes of a federally funded grant entitled, Refugee Preventative Health 150,000

### WILSON FISH

4003-0815 For the purposes of a federally funded grant entitled, Wilson Fish 3,350,000

### REFUGEE INDEPENDENCE THROUGH SERVICE ENHANCEMENT

4003-0817 For the purposes of a federally funded grant entitled, Refugee Independence Through Service Enhancement 200,000

### 13 PEER AWARD

4003-0822 For the purposes of a federally funded grant entitled, 13 Peer Award 100,000

### 13 CUBAN HAITIAN AWARD

4003-0823 For the purposes of a federally funded grant entitled, 13 Cuban Haitian Award 100,000

### 13 REFUGEE CASH AND MEDICAL ASSISTANCE

4003-0826 For the purposes of a federally funded grant entitled, 13 Refugee Cash and Medical Assistance 13,831,952

### 13 REFUGEE SCHOOL IMPACT

4003-0833 For the purposes of a federally funded grant entitled, 13 Refugee School Impact 420,000

**Trust Spending 17,419**

### AMERICORPS MA NEW AMERICAN INTEGRATION PROGRAM EXPEND TRUST

4003-0820 17,419

**Department of Developmental Services**

The Department of Developmental Services is dedicated to creating, in partnership with others, innovative and genuine opportunities for individuals with intellectual disabilities to fully and meaningfully participate in, and contribute to, their communities as valued members.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Developmental Services	1,474,714	31,523	1,506,237	535,332

<http://www.mass.gov/dds>

**Budgetary Direct Appropriations** **1,474,563,579**

DDS SERVICE COORDINATION AND ADMINISTRATION

5911-1003 For the service coordination and administration of the department of developmental services 64,742,324

TRANSPORTATION SERVICES

5911-2000 For transportation costs associated with the adult services program; provided, that the department shall provide transportation on the basis of priority of need as determined by the department 13,023,918

COMMUNITY RESIDENTIAL SERVICES FOR THE DEVELOPMENTALLY DISABLED

5920-2000 For vendor-operated, community-based, residential adult services, including intensive individual supports; provided, that the commissioner of the department of developmental services shall transfer funds from this item to item 5920-2010, as necessary, pursuant to an allocation plan, which shall detail, by object class, the distribution of the funds to be transferred and which the commissioner shall file with the house and senate committees on ways and means 15 days before the transfer; and provided further, that not more than \$5,000,000 shall be transferred from this item in fiscal year 2014 860,298,457

STATE OPERATED RESIDENTIAL SERVICES

5920-2010 For state-operated, community-based, residential services for adults, including community-based health services 191,438,363

COMMUNITY DAY AND WORK PROGRAMS

5920-2025 For community-based day and work programs and associated transportation costs for adults; provided, that the department shall provide transportation on the basis of priority of need as determined by the department 161,873,253

RESPIRE FAMILY SUPPORTS FOR THE DEVELOPMENTALLY DISABLED

5920-3000 For respite services and intensive family supports 49,504,298

AUTISM DIVISION

## FY2014 Governor's Budget Recommendation

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5920-3010	For support services for families with autistic children through the autism division	4,613,086
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### TURNING 22 PROGRAM AND SERVICES

5920-5000	For services to clients of the department who turn 22 years of age during state fiscal year 2014	6,000,000
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### STATE FACILITIES FOR THE DEVELOPMENTALLY DISABLED

5930-1000	For the operation of facilities for individuals with intellectual disabilities; provided, that the department may allocate funds from this item to items 5920-2000, 5920-2010, and 5920-2025, as necessary, under allocation plans submitted to the house and senate committees on ways and means 30 days before any transfer, for residential and day services for clients formerly receiving inpatient care at ICF/MRs	123,069,880
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<b>Federal Grant Spending</b>		<b>23,206</b>
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### LIFESPAN RESPITE CARE PROGRAM

5947-0012	For the purposes of a federally funded grant entitled, Lifespan Respite Care Program	23,206
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<b>Intragovernmental Service Fund</b>		<b>6,500,000</b>
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### CHARGEBACK FOR SPECIAL EDUCATION ALTERNATIVES

5948-0012	For the operation of a program providing alternatives to residential placements for children with intellectual disabilities, including the costs of intensive home-based supports provided for the purposes of item 7061-0012 Intragovernmental Service Fund ... 100%	6,500,000
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<b>Retained Revenue</b>		<b>150,000</b>
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### TEMPLETON FARM PRODUCT SALES RETAINED REVENUE

5982-1000	The department of developmental services may expend for program costs of the Templeton developmental center, including supplies, equipment and facility maintenance, an amount not to exceed \$150,000 received from the sale of milk and other farm-related products at the center; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	150,000
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<b><i>Trust Spending</i></b>	<b>24,999,911</b>
SCHOOL LUNCH PROGRAM-PAYMENTS	
5581-2600	1,883
SCHOOL LUNCH PROGRAM-PAYMENTS	
5781-2600	1,668
TEMPLETON PARENTS GUARDIANS FRIENDS EXPENDABLE TRUST	
5911-0001	29,113
DEPARTMENT OF MENTAL RETARDATION COMMISSIONER'S TRUST	
5911-2001	24,941,771
DMR/UMASS SHRIVER CAMPUS FUEL COSTS TRUST	
5911-3022	21,358
BELCHERTOWN CAROUSEL TRUST	
5920-0002	4,118

***Massachusetts Commission for the Blind***

The Mission of the Massachusetts Commission for the Blind (MCB) is to provide the highest quality rehabilitation and social services to individuals who are legally blind, leading to independence and full community participation.

	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Resource Summary (\$000)				
Massachusetts Commission for the Blind	20,172	10,154	30,325	3,198

<http://www.mass.gov/mcb>

<b><i>Budgetary Direct Appropriations</i></b>	<b>20,171,578</b>
ADMINISTRATION AND PROGRAM OPERATIONS	
4110-0001	1,361,524
For the operation of the Massachusetts commission for the blind, including the cost of sheltered workforce employee retirement benefits	
COMMUNITY SERVICES FOR THE BLIND	
4110-1000	4,022,805
For the community services program	
TURNING 22 PROGRAM AND SERVICES	

## FY2014 Governor's Budget Recommendation

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4110-2000 For the turning 22 program of the commission 11,734,131

### VOCATIONAL REHABILITATION FOR THE BLIND

4110-3010 For a program of vocational rehabilitation for the blind in cooperation with the federal government; provided, that no funds from federal vocational rehabilitation grants or state appropriations shall be deducted for pensions, group health and life insurance, or any other of these indirect costs of federally reimbursed state employees 3,053,118

### **Federal Grant Spending** 9,741,820

#### AID TO THE BLIND - VOCATIONAL

4110-3020 For the purposes of a federally funded grant entitled, Aid to the Blind - Vocational 24,681

#### STATE VOCATIONAL REHABILITATION SERVICES PROGRAM

4110-3021 For the purposes of a federally funded grant entitled, State Vocational Rehabilitation Services Program 8,826,795

#### INDEPENDENT LIVING FOR THE BLIND-ADAPTIVE HOUSING

4110-3023 For the purposes of a federally funded grant entitled, State Independent Living Services - State Grants 53,300

#### INDEPENDENT LIVING SERVICES FOR OLDER BLIND INDIVIDUALS

4110-3026 For the purposes of a federally funded grant entitled, Independent Living Services for Older Blind Individuals 700,000

#### REHABILITATION TRAINING - SECTION 4

4110-3027 For the purposes of a federally funded grant entitled, Rehabilitation Training - Section 4 19,000

#### SUPPORTED EMPLOYMENT FOR INDIVIDUALS WITH DISABILITIES

4110-3028 For the purposes of a federally funded grant entitled, Supported Employment for Individuals With Disabilities 118,044

### **Trust Spending** 411,903

#### EDUCATIONAL PURPOSES TRUST FUND

4110-6600 40,000

#### JEAN M LEBRUN FUND FOR THE ADULT BLIND

4110-6601 24,707

MICHAEL F. MCCARTHY FUND-

4110-6602 7,356

LENA M ROBINSON FUND

4110-6603 79,875

M L EDGERTON FUND-PAYMENTS

4110-6605 28,106

VENDING FACILITY OPERATORS TRUST FUND

4110-6606 231,859

***Massachusetts Commission for the Deaf and Hard of Hearing***

The mission of the Commission for the Deaf and Hard of Hearing is to provide accessible communication, education, advocacy, referral and social services to consumers, private and public entities so that programs, services and opportunities throughout Massachusetts are fully accessible to persons who are deaf and hard of hearing.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Massachusetts Commission for the Deaf and Hard of Hearing	5,638	266	5,905	166

[www.state.ma.us/mcdhh](http://www.state.ma.us/mcdhh)

***Budgetary Direct Appropriations*** **5,638,374**

MASSACHUSETTS COMMISSION FOR THE DEAF AND HARD OF HEARING

4125-0100 For the operation of the Massachusetts commission for the deaf and hard of hearing 5,638,374

***Intragovernmental Service Fund*** **250,000**

CHARGEBACK FOR INTERPRETER SERVICES

4125-0122 For the costs of interpreter services provided by commission staff; provided, that the costs of personnel may be charged to this item; and provided further, that for the purpose of accommodating discrepancies between the receipt of retained revenues and related expenditures, the commission may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate as reported 250,000

in the state accounting system  
 Intragovernmental Service Fund ... 100%

<b>Trust Spending</b>	<b>16,428</b>
INTERPRETER SERVICES REVOLVING FUND	
4125-0104	16,428

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**Massachusetts Rehabilitation Commission**

The Massachusetts Rehabilitation Commission (MRC) promotes equality, empowerment and independence of individuals with disabilities. These goals are achieved through enhancing and encouraging personal choice and the right to succeed or fail in the pursuit of independence and employment in the community.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Massachusetts Rehabilitation Commission	43,441	102,948	146,389	3,576

<http://www.mass.gov/mrc>

<b>Budgetary Direct Appropriations</b>	<b>43,440,964</b>
MASSACHUSETTS REHABILITATION COMMISSION	
4120-1000 For the operation of the commission	411,824
VOCATIONAL REHABILITATION FOR THE DISABLED	
4120-2000 For vocational rehabilitation services operated in cooperation with the federal government; provided, that no funds from the federal vocational rehabilitation grant or state appropriation shall be deducted for pensions, group health and life insurance and any other indirect cost of federally reimbursed state employees	10,103,204
EMPLOYMENT ASSISTANCE	
4120-3000 For employment assistance services for severely disabled adults	2,174,712
INDEPENDENT LIVING ASSISTANCE FOR THE MULTI DISABLED	
4120-4000 For independent living assistance services for the multi-disabled	13,249,881
ACCESSIBLE HOUSING PLACEMENT AND REGISTRY FOR DISABLED PERSONS	
4120-4001 For the housing registry for the disabled	80,000
TURNING 22 PROGRAM AND SERVICES	

4120-4010	For the turning 22 program of the commission	797,697
HOME CARE SERVICES FOR THE MULTI DISABLED		
4120-5000	For home care services	4,280,625
HEAD INJURY TREATMENT SERVICES		
4120-6000	For head injury treatment services	12,343,021
<b>Federal Grant Spending</b>		<b>93,889,901</b>
BASIC VOCATIONAL REHABILITATION GRANT		
4120-0020	For the purposes of a federally funded grant entitled, Basic Vocational Rehabilitation Grant	46,080,107
SUPPORTED EMPLOYMENT SERVICES GRANT		
4120-0187	For the purposes of a federally funded grant entitled, Supported Employment Services Grant	464,022
SOCIAL SECURITY ADMIN DISABILITY DETERMINATION PROGRAM		
4120-0511	For the purposes of a federally funded grant entitled, Social Security Admin Disability Determination Program	45,266,549
INDEPENDENT LIVING FEDERAL FUNDS		
4120-0760	For the purposes of a federally funded grant entitled, Independent Living Federal Funds	1,580,036
STATE GRANTS FOR ASSISTIVE TECHNOLOGY		
4120-0768	For the purposes of a federally funded grant entitled, State Grants for Assistive Technology	499,187
<b>Trust Spending</b>		<b>9,058,082</b>
VOCATIONAL REHABILITATION FOR THE MULTI-DISABLED TRUST FUND		
4120-0029		2,100,000
WORKFORCE COORDINATING GRANT TRUST ACCOUNT		
4120-0030		24,032
EMPLOYMENT SERVICES TRAINING		
4120-0032		2,700

DEVELOPMENT OF ESS COMPETENCIES/TRAINING

4120-0607 30,432

HEAD INJURY TREATMENT SERVICES TRUST FUND

4120-6002 6,900,918

***Soldiers' Home in Holyoke***

The mission of the Soldiers' Home in Holyoke is to provide the highest quality of health care services to Massachusetts Veterans with honor and dignity. Our vision is to be recognized as a premier long-term care facility for veterans, as well as to provide needed outpatient services to community veterans.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Soldiers' Home in Holyoke	21,998	0	21,998	15,561

<http://www.mass.gov/hly>

***Budgetary Direct Appropriations*** **20,728,251**

SOLDIERS' HOME IN HOLYOKE ADMINISTRATION AND OPERATIONS

4190-0100 For the maintenance and operation of the soldiers' home in Holyoke, qualified veterans as defined by section 7 of chapter 4 of the General Laws, with services provided to include long term care, Alzheimer's unit and domiciliary beds; provided, that all pharmacy services shall be purchased through the state office of pharmacy services 20,728,251

***Retained Revenue*** **1,269,869**

HOLYOKE ANTENNA RETAINED REVENUE

4190-0101 For the soldiers' home in Holyoke which may expend for its operation an amount not to exceed \$5,000 from the licensing of the property for placement of aerial antennas 5,000

PHARMACY CO-PAYMENT FEE RETAINED REVENUE

4190-0102 The soldiers' home in Holyoke may expend for the outpatient pharmacy program an amount not to exceed \$110,000 from co-payments which it may charge to users of the program; provided, that the rates of the co-payments and the procedures for their administration shall be determined annually by the soldiers' home superintendent; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the soldiers' home may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or 110,000

the most recent revenue estimate, as reported in the state accounting system

**HOLYOKE TELEPHONE AND TELEVISION RETAINED REVENUE**

4190-0200	The soldiers' home in Holyoke may expend for the provision of television and telephone services to residents an amount not to exceed \$50,000 from fees collected from veterans in its care	50,000
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**HOLYOKE 12 BED RETAINED REVENUE**

4190-0300	For the soldiers' home in Holyoke which may expend not more than \$704,869 for the operation of 12 long term care beds from revenue generated through the occupancy of these beds; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the soldiers' home may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	704,869
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**LICENSE PLATE SALES RETAINED REVENUE**

4190-1100	The soldiers' home in Holyoke may expend for facility maintenance and patient care an amount not to exceed \$400,000; provided, that 40 per cent of all revenues generated under section 2 of chapter 90 of the General Laws through the purchase of license plates with the designation VETERAN by eligible veterans of the commonwealth, after compensating the registry of motor vehicles for the costs associated with the license plates, shall be deposited into and for the purposes of this account; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	400,000
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***Soldiers' Home in Massachusetts***

The Soldiers' Home in Massachusetts is committed to utilizing all available resources to assist veteran clients to attain the highest possible level of health and well-being. Our aim is to give every veteran the finest and most comprehensive care necessary to prevent disease and to preserve health. If we are unable to render the necessary treatment, housing, or services required by our veterans, we will seek available resources and arrange for the prompt and safe transfer of our clients.

	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Soldiers' Home in Massachusetts	28,323	2	28,325	14,320

<http://www.mass.gov/che>

<b>Budgetary Direct Appropriations</b>	<b>27,723,177</b>
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SOLDIERS' HOME IN MASSACHUSETTS ADMINISTRATION AND OPERATIONS

4180-0100 For the maintenance and operation of the soldiers' home in Massachusetts, located in the city of Chelsea, for qualified veterans as defined by section 7 of chapter 4 of the General Laws, with services provided to include skilled nursing, long term care, Alzheimer's unit, supervised/assisted living with clinical support and domiciliary beds; provided, that all pharmacy services shall be purchased through the state office of pharmacy services 27,723,177

**Retained Revenue 600,000**

LICENSE PLATE SALES RETAINED REVENUE

4180-1100 The soldiers' home in Massachusetts, located in the city of Chelsea, may expend for facility maintenance and patient care an amount not to exceed \$600,000; provided, that 60 per cent of all revenues generated under section 2 of chapter 90 of the General Laws through the purchase of license plates with the designation VETERAN by eligible veterans of the commonwealth, after compensating the registry of motor vehicles for the costs associated with the license plates, shall be deposited into and for the purposes of this account; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 600,000

**Trust Spending 1,822**

SOLDIERS HOME TELECOMMUNICATION LEASE EXPENDABLE TRUST

4180-1101 1,822

**Department of Mental Health**

The Department of Mental Health (DMH), as the State Mental Health Authority, assures and provides access to services and supports to meet the mental health needs of individuals of all ages, enabling them to live, work and participate in their communities. The Department establishes standards to ensure effective and culturally competent care to promote recovery. The Department sets policy, promotes self-determination, protects human rights and supports mental health training and research. This critical mission is accomplished by working in partnership with other state agencies, individuals, families, providers and communities.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Mental Health	696,472	22,747	719,219	90,412

***Budgetary Direct Appropriations*** **696,346,926**

DEPARTMENT OF MENTAL HEALTH ADMINISTRATION AND OPERATIONS

5011-0100 For the operation of the department of mental health 28,075,844

CHILD AND ADOLESCENT MENTAL HEALTH SERVICES

5042-5000 For child and adolescent services, including the costs of psychiatric and related services provided to children and adolescents determined to be medically ready for discharge from acute hospital units or mental health facilities and who are experiencing unnecessary delays in being discharged due to the lack of more appropriate settings; provided, that for the purpose of funding these services, the commissioner of mental health may allocate funds from the amount appropriated in this item to other departments within the executive office of health and human services 86,284,967

MENTAL HEALTH SERVICES INCLUDING ADULT HOMELESS AND EMERGENCY

5046-0000 For adult mental health and support services; provided, that the department shall allocate funds in an amount not to exceed \$5,000,000 from item 5095-0015 to this item, as necessary, for community services for clients formerly receiving care at department facilities 354,162,452

STATEWIDE HOMELESSNESS SUPPORT SERVICES

5046-2000 For homelessness services 20,134,589

EMERGENCY SERVICES AND MENTAL HEALTH CARE

5047-0001 For emergency service programs, community and facility services 36,742,254

FORENSIC SERVICES PROGRAM FOR MENTALLY ILL PERSONS

5055-0000 For forensic services provided by the department 8,321,818

INPATIENT FACILITIES AND COMMUNITY-BASED MENTAL HEALTH SERVICE

5095-0015 For the operation of hospital facilities and community-based mental health services; provided, that the department may allocate funds in an amount not to exceed \$5,000,000 from item 5095-0015 to item 5046-0000 for community services for clients formerly receiving inpatient care at the department facilities 162,625,002

***Federal Grant Spending*** **2,482,420**

PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS

5012-9121 For the purposes of a federally funded grant entitled, Projects for Assistance in Transition from Homelessness 1,680,000

JAIL DIVERSION AND TRAUMA RECOVERY

5012-9160 For the purposes of a federally funded grant entitled, Jail Diversion and 424,000

Trauma Recovery

DATA INFRASTRUCTURE GRANT 2011

5012-9164	For the purposes of a federally funded grant entitled, Data Infrastructure Grant 2011	132,937
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MISSION RAP

5012-9166	For the purposes of a federally funded grant entitled, Mission RAP	45,483
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SHELTER PLUS CARE PROGRAM

5046-9102	For the purposes of a federally funded grant entitled, Shelter Plus Care Program	200,000
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<b><i>Retained Revenue</i></b>	<b>125,000</b>
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CHOICE PROGRAM RETAINED REVENUE

5046-4000	For the department of mental health, which may expend not more than \$125,000 in revenue collected from occupancy fees charged to the tenants in the creative housing option in community environments, the CHOICE program, authorized by chapter 167 of the acts of 1987; provided, that all fees collected under that program shall be expended for the routine maintenance and repair of facilities in the CHOICE program	125,000
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<b><i>Trust Spending</i></b>	<b>20,264,615</b>
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MENTAL HEALTH INFORMATION SYSTEM FUND

5011-2001		3,871,814
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MMHC FACILITY RESERVE FUND TRUST

5095-2690		300,000
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SOLOMON MENTAL HEALTH CENTER

5311-9101		359,906
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CAPE COD AND ISLANDS MENTAL HEALTH AND RETARDATION CENTER

5535-2689		2,980,294
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BROCKTON MULTI-SERVICE CENTER

5540-2689		2,035,192
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DR. JOHN C. CORRIGAN JR. MENTAL HEALTH CENTER

5541-2689		3,837,598
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RESEARCH AND TRAINING TRUST

5542-2689 10,260

MASSACHUSETTS MENTAL HEALTH CENTER

5651-2689 1,824,625

DR. SOLOMON CARTER FULLER MENTAL HEALTH CENTER

5652-2689 3,842,678

LINDEMANN MENTAL HEALTH CENTER

5653-2689 562,541

MARY PALMER'S MENTAL HEALTH CENTER EXPENDABLE TRUST

5654-2689 2,412

GOVERNOR FRANCIS P. MURPHY FUND

5655-2690 3,000

QUINCY MENTAL HEALTH CENTER

5851-2689 634,295

***Department of Public Health***

The mission of the Massachusetts Department of Public Health is to prevent illness, injury, and premature death, to assure access to high quality public health and health care services, and to promote wellness and health equity for all people in the Commonwealth.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Public Health	548,956	365,718	914,674	234,243

<http://www.mass.gov/dph>

***Budgetary Direct Appropriations*** **463,507,814**

PUBLIC HEALTH CRITICAL OPERATIONS AND ESSENTIAL SERVICES

4510-0100 For the administration and operation of the department of public health 18,756,508

COMMUNITY HEALTH CENTER SERVICES

## FY2014 Governor's Budget Recommendation

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4510-0110	For community health center services	969,901
ENVIRONMENTAL HEALTH ASSESSMENT AND COMPLIANCE		
4510-0600	For an environmental and community health hazards program, including control of radiation and nuclear hazards, consumer products protection, food and drugs and lead poisoning prevention in accordance with chapter 482 of the acts of 1993, lead-based paint inspections in day care facilities, inspection of radiological facilities, licensing of x-ray technologists and the administration of the bureau of environmental health assessment under chapter 111F of the General Laws; provided, that the department may expend from this item to monitor, survey and inspect nuclear power reactors, including those presently licensed by the Nuclear Regulatory Commission	4,391,414
DIVISION OF HEALTH CARE QUALITY AND IMPROVEMENT		
4510-0710	For the operation of the division of health care quality and improvement	7,826,326
BOARD OF REGISTRATION IN NURSING		
4510-0721	For the operation and administration of the board of registration in nursing	911,312
BOARD OF REGISTRATION IN PHARMACY		
4510-0722	For the operation and administration of the board of registration in pharmacy	1,300,527
BOARD OF REGISTRATION IN MEDICINE AND ACUPUNCTURE		
4510-0723	For the operation and administration of the board of registration in medicine and acupuncture	1,035,472
HEALTH BOARDS OF REGISTRATION		
4510-0725	For the operation and administration of certain health boards of registration, including the boards of registration in dentistry, nursing home administrators, physician assistants, perfusionists, genetic counselors and respiratory care	309,547
REGIONAL EMERGENCY MEDICAL SERVICES		
4510-0790	For regional emergency medical services; provided, that the regional emergency medical services councils, designated under 105 CMR 170.101, shall remain the designated councils	931,959
SEXUAL ASSAULT NURSE EXAMINER (SANE) AND PEDIATRIC SANE PROGRAM		
4510-0810	For a statewide sexual assault nurse examiner program and pediatric sexual assault nurse examiner program for the care of victims of sexual assault; provided, that funds shall be expended to support children's advocacy centers; and provided further, that the program shall operate under specific statewide protocols and by an on-call system of nurse examiners	3,165,124
HIV/AIDS PREVENTION TREATMENT AND SERVICES		

4512-0103 For human immunodeficiency virus and acquired immune deficiency syndrome services and programs and related services for persons affected by the associated conditions of viral hepatitis and sexually transmitted infections; provided, that particular attention shall be paid to direct funding proportionately to each of the demographic groups afflicted by HIV/AIDS and associated conditions; and provided further, that no funds from this item shall be expended for disease research in fiscal year 2014 32,109,847

BUREAU OF SUBSTANCE ABUSE SERVICES

4512-0200 For the operation of the bureau of substance abuse services 83,858,094

SUBSTANCE ABUSE STEP-DOWN RECOVERY SERVICES

4512-0201 For substance abuse step-down recovery services, otherwise known as level B beds and services, and other critical recovery services with severely reduced capacity 4,800,000

SECURE TREATMENT FACILITIES FOR OPIATE ADDICTION

4512-0202 For jail diversion programs primarily for nonviolent offenders with OxyContin or heroin addiction to be procured by the department of public health; provided, that each program shall provide clinical assessment services to the respective courts, inpatient treatment for up to 90 days and ongoing case management services for up to 1 year; provided further, that individuals may be diverted to this or other programs by a district attorney in conjunction with the office of the commissioner of probation if: (a) there is reason to believe that the individual being diverted suffers from an addiction to OxyContin or heroin, or other substance use disorder; and (b) the diversion of an individual is clinically appropriate and consistent with established clinical and public safety criteria; provided further, that programs shall be established in separate counties in locations deemed suitable by the department of public health; provided further, that the department of public health shall coordinate operations with the sheriffs, the district attorneys, the office of the commissioner of probation and the department of correction; and provided further, that not more than \$500,000 shall be used to support the ongoing treatment needs of clients after 90 days for which there is no other payer 2,000,000

SUBSTANCE ABUSE FAMILY INTERVENTION AND CARE PILOT

4512-0203 For family intervention and care management services programs, a young adult treatment program and early intervention services for individuals who are dependent on or addicted to alcohol, controlled substances or both alcohol and controlled substances 1,500,000

DENTAL HEALTH SERVICES

4512-0500 For the provision of dental health services in residential and community settings 1,414,980

FAMILY HEALTH SERVICES

4513-1000 For the provision of family health services; provided, that funds shall be provided for comprehensive family planning services, including HIV counseling and testing, community-based health education and outreach services provided by agencies certified as comprehensive family planning agencies; and provided further, that funds may be expended for the 4,671,059

## FY2014 Governor's Budget Recommendation

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Massachusetts birth defects monitoring program

### WOMEN INFANTS AND CHILDREN'S NUTRITIONAL SERVICES

4513-1002	For Women, Infants and Children (WIC), nutrition services in addition to funds received under the federal nutrition program; provided, that funds from this item shall supplement federal funds to enable federally eligible women, infants and children to be served through the WIC program	12,748,383
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### EARLY INTERVENTION SERVICES

4513-1020	For the early intervention program; provided, that the department shall make all reasonable efforts to secure third party and Medicaid reimbursements for the services funded in this item; provided further, that funds from this item may be expended to provide respite services to families of children enrolled in early intervention programs who have complex care requirements, multiple disabilities and extensive medical and health needs; provided further, that priority shall be given to low and moderate income families; provided further, that no claim for reimbursement made on behalf of an uninsured person shall be paid from this item until the program receives notice of a denial of eligibility for the MassHealth program from the executive office of health and human services; provided further, that MassHealth shall cover the costs incurred for the transportation of MassHealth members who participate in the early intervention program; provided further, that nothing in this item shall give rise to or shall be construed as giving rise to enforceable legal rights to any such services or an enforceable entitlement to the early intervention services funded in this item; and provided further, that these funds may be used to pay for current and prior year claims	26,241,537
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### NEWBORN HEARING SCREENING PROGRAM

4513-1023	For the operation of the newborn hearing screening program	74,036
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### SUICIDE PREVENTION AND INTERVENTION PROGRAM

4513-1026	For the provision of statewide and community-based suicide prevention, intervention, post-intervention and surveillance activities	3,857,550
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### SERVICES TO SURVIVORS OF HOMICIDE VICTIMS

4513-1098	For the provision of statewide support services for survivors of homicide victims, including outreach services, burial assistance, grief counseling and other support services; provided, that funds shall be expended as grants in the aggregate amount of \$150,000 to the Louis D. Brown Peace Institute, a community-based support organization dedicated to serving families and communities impacted by violence	150,000
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### HEALTH PROMOTION AND DISEASE PREVENTION

4513-1111	For the promotion of health and disease prevention	3,354,315
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### DOMESTIC VIOLENCE AND SEXUAL ASSAULT PREVENTION AND TREATMENT

4513-1130	For domestic violence and sexual assault treatment and prevention programs	5,518,935
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### STATE LABORATORY AND COMMUNICABLE DISEASE CONTROL SERVICES

4516-1000	For the administration of state laboratory and communicable disease control services	12,631,936
MATCHING FUNDS FOR A FEDERAL EMERGENCY PREPAREDNESS GRANT		
4516-1010	For state matching funds required by the federal Pandemic and All-Hazards Preparedness Act	2,199,961
TEENAGE PREGNANCY PREVENTION SERVICES		
4530-9000	For teenage pregnancy prevention services	2,382,583
INFECTION PREVENTION PROGRAM		
4570-1502	For a statewide infection prevention and control program	270,071
UNIVERSAL IMMUNIZATION PROGRAM		
4580-1000	For the operation of the universal immunization program; provided, that notwithstanding any general or special law to the contrary, the costs of purchasing and distributing childhood vaccines for children in this item may be assessed by the department, in an amount equivalent to the department's projected fiscal year 2014 costs, on surcharge payers as defined under section 64 of chapter 118E of the General Laws and may be collected in a manner consistent with said chapter 118E	54,425,120
SCHOOL-BASED HEALTH PROGRAMS		
4590-0250	For school health services and school-based health centers in schools	11,623,167
SMOKING PREVENTION AND CESSATION PROGRAMS		
4590-0300	For smoking prevention and cessation programs	4,172,622
PUBLIC HEALTH HOSPITALS		
4590-0915	For the maintenance and operation of Tewksbury hospital, Massachusetts hospital school, Lemuel Shattuck hospital and the hospital bureau, including the state office of pharmacy services; provided, that reimbursements received for medical services provided at the Lemuel Shattuck hospital to inmates of county correctional facilities not managed by private health care vendors shall be credited to item 4590-0903 of section 2B; and provided further, that notwithstanding any general or special law to the contrary, the department shall seek to obtain federal financial participation for care provided to inmates of the department of correction and of county correctional facilities who are treated at the public health hospitals	148,879,167
PEDIATRIC PALLIATIVE CARE		
4590-1503	For the pediatric palliative care program established in section 24K of chapter 111 of the General Laws	825,183
VIOLENCE PREVENTION GRANTS		
4590-1506	For a competitive grant program to be administered by the department of	1,501,178

## FY2014 Governor's Budget Recommendation

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public health to support the establishment of a comprehensive youth violence prevention program

### YOUTH AT-RISK MATCHING GRANTS

4590-1507	For matching grants to the Massachusetts Alliance of Boys & Girls Clubs, the Alliance of Massachusetts YMCAs and YWCA organizations, nonprofit community centers and youth development programs	2,700,000
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### **Federal Grant Spending**

**284,669,851**

### PREVENTIVE HEALTH SERVICES BLOCK

4500-1000	For the purposes of a federally funded grant entitled, Preventive Health Services Block	504,745
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### STRENGTHENING PUBLIC HEALTH INFRASTRUCTURE

4500-1025	For the purposes of a federally funded grant entitled, Strengthening Public Health Infrastructure	993,662
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### RAPE PREVENTION AND EDUCATION

4500-1050	For the purposes of a federally funded grant entitled, Rape Prevention and Education	543,922
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### MASSACHUSETTS SEXUAL ASSAULT SERVICE PROGRAM

4500-1054	For the purposes of a federally funded grant entitled, Massachusetts Sexual Assault Service Program	299,970
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### 2010 OIL AND HAZARDOUS MATERIAL STATE PARTNERSHIP

4500-1066	For the purposes of a federally funded grant entitled, 2010 Oil and Hazardous Material State Partnership	192,797
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### MATERNAL AND CHILD HEALTH SERVICES

4500-2000	For the purposes of a federally funded grant entitled, Maternal and Child Health Services	12,172,255
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### COOPERATIVE HEALTH STATISTICS SYSTEM

4502-1012	For the purposes of a federally funded grant entitled, Cooperative Health Statistics System	779,895
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### STATE LOAN REPAYMENT

4510-0107	For the purposes of a federally funded grant entitled, State Loan Repayment	350,000
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### OFFICE OF RURAL HEALTH

4510-0113	For the purposes of a federally funded grant entitled, Office of Rural Health	180,000
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STATE PRIMARY CARE OFFICES - ARRA

4510-0115	For the purposes of a federally funded grant entitled, State Primary Care Offices - ARRA	42,099
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STATE PRIMARY CARE OFFICES

4510-0118	For the purposes of a federally funded grant entitled, State Primary Care Offices	138,307
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RURAL HOSPITAL FLEXIBILITY PROGRAM

4510-0119	For the purposes of a federally funded grant entitled, Rural Hospital Flexibility Program	302,104
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SMALL RURAL HOSPITAL IMPROVEMENT GRANT

4510-0219	For the purposes of a federally funded grant entitled, Small Rural Hospital Improvement Grant	81,000
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GRANTS TO STATES TO SUPPORT ORAL HEALTH

4510-0222	For the purposes of a federally funded grant entitled, Grants to States to Support Oral Health	40,000
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MEDICARE AND MEDICAID SURVEY AND CERTIFICATION GRANT

4510-0400	For the purposes of a federally funded grant entitled, Medicare and Medicaid Survey and Certification Grant	8,784,684
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HOSPITAL PREPARDNESS PROGRAMS

4510-0404	For the purposes of a federally funded grant entitled, Hospital Preparedness Programs	7,242,636
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MEDICAL MALPRACTICE AND PATIENT SAFETY

4510-0408	For the purposes of a federally funded grant entitled, Medical Malpractice and Patient Safety	329,069
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CLINICAL LABORATORY IMPROVEMENT

4510-0500	For the purposes of a federally funded grant entitled, Clinical Laboratory Improvement	355,904
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NUCLEAR REGULATORY COMMISSION SECURITY INSPECTIONS

4510-0609	For the purposes of a federally funded grant entitled, Nuclear Regulatory Commission Security Inspections	5,000
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FDA INSPECTION OF FOOD ESTABLISHMENTS

4510-0619	For the purposes of a federally funded grant entitled, FDA Inspection of Food Establishments	375,996
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MASSACHUSETTS DPH STATEWIDE SURVEILLANCE OF HEALTH

## FY2014 Governor's Budget Recommendation

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4510-0626	For the purposes of a federally funded grant entitled, Massachusetts DPH Statewide Surveillance of Health	95,000
FOOD PROTECTION RAPID RESPONSE TEAM		
4510-0639	For the purposes of a federally funded grant entitled, Food Protection Rapid Response Team	532,697
MA FOOD PROTECTION TASK FORCE CONFERENCE		
4510-0640	For the purposes of a federally funded grant entitled, Massachusetts Food Protection Task Force Conference	5,000
HAROLD ROGERS PRESCRIPTION DRUG MONITORING PROGRAM		
4510-0643	For the purposes of a federally funded grant entitled, Harold Rogers Prescription Drug Monitoring Program	188,349
PRESCRIPTION DRUG MONITORING PROGRAM TECHNOLOGY ENHANCEMENTS		
4510-0644	For the purposes of a federally funded grant entitled, Prescription Drug Monitoring Program Technology Enhancements	225,059
SEXUAL ASSAULT FORENSIC EXAMINATION TELEMEDICINE CENTER		
4510-0812	For the purposes of a federally funded grant entitled, Sexual Assault Forensic Examination Telemedicine Center	1,407,899
MAMMOGRAPHY QUALITY STANDARDS ACT		
4510-9014	For the purposes of a federally funded grant entitled, Mammography Quality Standards Act	246,900
INDOOR RADON DEVELOPMENT PROGRAM		
4510-9048	For the purposes of a federally funded grant entitled, Indoor Radon Development Program	170,845
ATSDR PARTNERSHIP TO PROMOTE LOCAL EFFORTS		
4510-9051	For the purposes of a federally funded grant entitled, ATSDR Partnership to Promote Local Efforts	402,010
BEACH MONITORING		
4510-9053	For the purposes of a federally funded grant entitled, Beach Monitoring	268,846
ASSESSMENT AND PLANNING DEVELOPMENT FOR CLIMATE CHANGE		
4510-9055	For the purposes of a federally funded grant entitled, Assessment and Planning Development for Climate Change	114,523
MASS HEALTHY HOMES CHILDHOOD LEAD POISONING PREVENTION		
4510-9057	For the purposes of a federally funded grant entitled, Mass Healthy Homes	79,280

Childhood Lead Poisoning Prevention

MAINTENANCE ENHANCEMENT OF THE STATE NATIONAL ENVIRONMENT

4510-9059	For the purposes of a federally funded grant entitled, State and National Environment Maintenance and Enhancement	1,073,968
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SEXUALLY TRANSMITTED DISEASE CONTROL

4512-0102	For the purposes of a federally funded grant entitled, Sexually Transmitted Disease Control	1,635,272
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ENHANCING IMMUNIZATION SYSTEMS AND INFRASTRUCTURE IMPROVEMENTS

4512-0177	For the purposes of a federally funded grant entitled, Enhancing Immunization Systems and Infrastructure Improvements	100,000
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IMMUNIZATION AND VACCINES FOR CHILDREN GRANT

4512-0179	For the purposes of a federally funded grant entitled, Immunization and Vaccines for Children Grant	5,886,452
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EPIDEMIOLOGY AND LAB SURVEILLANCE

4512-0180	For the purposes of a federally funded grant entitled, Epidemiology and Lab Surveillance	677,787
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EPIDEMIOLOGY AND LABORATORY FOR INFECTIOUS DISEASE

4512-0186	For the purposes of a federally funded grant entitled, Epidemiology and Laboratory for Infectious Disease	1,965,156
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PREVENTION AND PUBLIC HEALTH FUNDS IMMUNIZATION 2012

4512-0187	For the purposes of a federally funded grant entitled, Prevention and Public Health Funds Immunization 2012	650,000
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STATE OUTCOMES MEASUREMENT AND MANAGEMENT SYSTEM

4512-9065	For the purposes of a federally funded grant entitled, State Outcomes Measurement and Management System	17,023
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SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT

4512-9069	For the purposes of a federally funded grant entitled, Substance Abuse Prevention and Treatment Block Grant	41,700,000
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PROMOTING SAFE AND STABLE FAMILIES

4512-9070	For the purposes of a federally funded grant entitled, Promoting Safe and Stable Families	526,660
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MASSACHUSETTS ACCESS TO RECOVERY PROGRAM

4512-9072	For the purposes of a federally funded grant entitled, Massachusetts Access to Recovery Program	3,269,880
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## FY2014 Governor's Budget Recommendation

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### DRUG COURT DISCRETIONARY GRANT

4512-9075	For the purposes of a federally funded grant entitled, Drug Court Discretionary Grant	466,082
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### STATE PREVENTION FRAMEWORK GRANT

4512-9076	For the purposes of a federally funded grant entitled, State Prevention Framework Grant	1,286,736
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### MASSACHUSETTS FAMILY RECOVERY PROJECT SOUTHEAST

4512-9077	For the purposes of a federally funded grant entitled, Massachusetts Family Recovery Project Southeast	810,074
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### STATE ADOLESCENT TREATMENT ENHANCEMENT AND DISSEMINATION

4512-9078	For the purposes of a federally funded grant entitled, State Adolescent Treatment Enhancement and Dissemination	1,082,098
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### UNIFORM ALCOHOL AND DRUG ABUSE DATA

4512-9426	For the purposes of a federally funded grant entitled, Uniform Alcohol and Drug Abuse Data	82,227
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### HOUSING OPPORTUNITIES FOR PEOPLE WITH AIDS PROGRAM

4513-0111	For the purposes of a federally funded grant entitled, Housing Opportunities for People with AIDS Program	306,904
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### NUTRITIONAL STATUS OF WOMEN, INFANTS AND CHILDREN

4513-9007	For the purposes of a federally funded grant entitled, Nutritional Status of Women, Infants and Children	89,963,535
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### AUGMENTATION AND EVALUATION OF ESTABLISHED HEALTH EDUCATION

4513-9018	For the purposes of a federally funded grant entitled, Comprehensive HIV Prevention Project for Health Departments	6,829,407
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### INFANTS AND TODDLERS WITH DISABILITIES

4513-9021	For the purposes of a federally funded grant entitled, Infants and Toddlers with Disabilities	8,577,344
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### MASSACHUSETTS HIV AND AIDS NATIONAL BEHAVIORAL SURVEILLANCE

4513-9023	For the purposes of a federally funded grant entitled, Massachusetts HIV and AIDS National Behavioral Surveillance	435,446
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### MASS CARE - COMMUNITY AIDS RESOURCE

4513-9027	For the purposes of a federally funded grant entitled, Mass Care - Community Aids Resource	500,000
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PLANNING A COMPREHENSIVE PRIMARY CARE

4513-9030	For the purposes of a federally funded grant entitled, Planning a Comprehensive Primary Care	97,490
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RYAN WHITE CARE ACT

4513-9037	For the purposes of a federally funded grant entitled, Ryan White Care Act	20,484,933
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SHELTER PLUS CARE - WORCESTER

4513-9038	For the purposes of a federally funded grant entitled, Shelter Plus Care - Worcester	290,616
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HIV AND AIDS SURVEILLANCE

4513-9040	For the purposes of a federally funded grant entitled, HIV and AIDS Surveillance	969,561
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SYSTEMS LINKAGES AND ACCESS TO CARE FOR POPULATION HIV

4513-9042	For the purposes of a federally funded grant entitled, Systems Linkages and Access to Care for Population HIV	947,566
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CONGENITAL ANOMALIES CENTER OF EXCELLENCE

4513-9046	For the purposes of a federally funded grant entitled, Congenital Anomalies Center of Excellence	1,067,402
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RURAL DOMESTIC VIOLENCE AND CHILD VICTIMIZATION PROJECT

4513-9051	For the purposes of a federally funded grant entitled, Rural Domestic Violence and Child Victimization Project	333,228
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UNIVERSAL NEWBORN HEARING SCREENING

4513-9066	For the purposes of a federally funded grant entitled, Universal Newborn Hearing Screening	270,000
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EARLY HEARING DETECTION AND INTERVENTION

4513-9071	For the purposes of a federally funded grant entitled, Early Hearing Detection and Intervention	156,590
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EARLY CHILDHOOD COMPREHENSIVE SYSTEMS

4513-9076	For the purposes of a federally funded grant entitled, Early Childhood Comprehensive Systems	150,000
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EMERGENCY MEDICAL SERVICES FOR CHILDREN

4513-9077	For the purposes of a federally funded grant entitled, Emergency Medical Services for Children	180,000
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YOUTH SUICIDE PREVENTION

## FY2014 Governor's Budget Recommendation

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4513-9083 For the purposes of a federally funded grant entitled, Youth Suicide Prevention 480,000

### PREGNANCY RISK ASSESSMENT MONITORING SYSTEM

4513-9085 For the purposes of a federally funded grant entitled, Pregnancy Risk Assessment Monitoring System 147,471

### ADDRESSING ASTHMA HEALTH FROM A PUBLIC HEALTH PERSPECTIVE

4513-9092 For the purposes of a federally funded grant entitled, Addressing Asthma Health from a Public Health Perspective 450,000

### MASS LAUNCH

4513-9093 For the purposes of a federally funded grant entitled, Mass Launch 900,000

### OFFICE OF HEALTHY HOMES AND LEAD HAZARD CONTROL

4513-9097 For the purposes of a federally funded grant entitled, Office of Healthy Homes and Lead Hazard Control 294,560

### MATERNAL INFANT AND EARLY CHILDHOOD HOME VISITING - ACA

4513-9098 For the purposes of a federally funded grant entitled, Maternal Infant and Early Childhood Home Visiting - ACA 8,955,908

### MATERNAL INFANT AND EARLY CHILDHOOD HOME VISITING

4513-9099 For the purposes of a federally funded grant entitled, Maternal Infant and Early Childhood Home Visiting 1,446,414

### SURVEILLANCE ON CONGENITAL DEFECTS

4513-9100 For the purposes of a federally funded grant entitled, Surveillance On Congenital Defects 506,557

### 2010 WOMEN, INFANTS AND CHILDREN SPECIAL PROJECT

4514-1008 For the purposes of a federally funded grant entitled, 2010 Women, Infants and Children Special Project 127,950

### TUBERCULOSIS CONTROL PROJECT

4515-0115 For the purposes of a federally funded grant entitled, Tuberculosis Control Project 1,714,245

### STRENGTHENING SURVEILLANCE FOR INFECTIOUS DISEASE

4515-0204 For the purposes of a federally funded grant entitled, Strengthening Surveillance for Infectious Disease 245,732

### HIV TRAINING THROUGH PREVENTION TRAINING

4515-0205 For the purposes of a federally funded grant entitled, HIV Training Through Prevention Training 534,202

ADULT VIRAL HEPATITIS PREVENTION

4515-1124	For the purposes of a federally funded grant entitled, Adult Viral Hepatitis Prevention	526,689
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HOSPITAL PREPAREDNESS AND PUBLIC HEALTH EMERGENCY PREPAREDNESS

4516-1021	For the purposes of a federally funded grant entitled, Hospital Preparedness and Public Health Emergency Preparedness	13,212,425
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ACCREDITATION FOR STATE FOOD TESTING LABORATORIES

4516-1034	For the purposes of a federally funded grant entitled, Accreditation for State Food Testing Laboratories	300,000
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TECHNOLOGY DATA AND MASSACHUSETTS BIRTH AND INFANT DEATH FILE

4518-0505	For the purposes of a federally funded grant entitled, Technology Data and Massachusetts Birth and Infant Death File	80,888
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NATIONAL VIOLENT DEATH REPORTING SYSTEM

4518-0514	For the purposes of a federally funded grant entitled, National Violent Death Reporting System	263,673
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PUBLIC HEALTH INJURY SURVEILLANCE AND PREVENTION

4518-0534	For the purposes of a federally funded grant entitled, Public Health Injury Surveillance and Prevention	715,018
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PROCUREMENT OF INFORMATION FOR THE NATIONAL DEATH INDEX

4518-1000	For the purposes of a federally funded grant entitled, Procurement of Information for the National Death Index	113,414
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MASSACHUSETTS DEATH FILE - SOCIAL SECURITY ADMINISTRATION

4518-1002	For the purposes of a federally funded grant entitled, Massachusetts Death File - Social Security Administration	30,500
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BIRTH RECORDS - MA FOR SOCIAL SECURITY ADMINISTRATION

4518-1003	For the purposes of a federally funded grant entitled, Birth Records - MA for Social Security Administration	279,691
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CENSUS OF FATAL OCCUPATIONAL INJURIES

4518-9023	For the purposes of a federally funded grant entitled, Census of Fatal Occupational Injuries	46,800
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CORE VIOLENCE INJURY PREVENTION

4518-9034	For the purposes of a federally funded grant entitled, Core Violence and Injury Prevention	577,227
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## FY2014 Governor's Budget Recommendation

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### YOUTH SUICIDE PREVENTION PROJECT

4518-9038	For the purposes of a federally funded grant entitled, Youth Suicide Prevention Project	480,000
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### SURVEILLANCE OF WORK RELATED AMPUTATION AND CARPAL TUNNEL

4518-9041	For the purposes of a federally funded grant entitled, Surveillance of Work Related Amputation and Carpal Tunnel	143,943
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### MASSACHUSETTS CITIZEN VERIFICATION FOR FEDERAL EMPLOYMENT

4518-9044	For the purposes of a federally funded grant entitled, Massachusetts Citizen Verification for Federal Employment	45,000
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### MASSACHUSETTS CARDIOVASCULAR DISEASE PREVENTION

4570-1509	For the purposes of a federally funded grant entitled, Massachusetts Cardiovascular Disease Prevention	1,148,394
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### COLORECTAL CANCER SCREENING

4570-1513	For the purposes of a federally funded grant entitled, Colorectal Cancer Screening	1,000,000
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### MASSACHUSETTS NUTRITION, PHYSICAL ACTIVITY AND OBESITY

4570-1517	For the purposes of a federally funded grant entitled, Massachusetts Nutrition, Physical Activity and Obesity	1,075,053
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### MASSACHUSETTS INTEGRATION OF CHRONIC DISEASE

4570-1520	For the purposes of a federally funded grant entitled, Massachusetts Integration of Chronic Disease	2,782,152
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### DEMONSTRATING THE CAPACITY OF COMPREHENSIVE CANCER CONTROL

4570-1526	For the purposes of a federally funded grant entitled, Demonstrating the Capacity of Comprehensive Cancer Control	175,000
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### PERSONAL RESPONSIBILITY EDUCATION PROGRAM 2010

4570-1527	For the purposes of a federally funded grant entitled, Personal Responsibility Education Program 2010	1,456,588
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### MASSACHUSETTS SUPPORT FOR PREGNANT AND PARENTING TEENS

4570-1529	For the purposes of a federally funded grant entitled, Massachusetts Support for Pregnant and Parenting Teens	762,000
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### MASSACHUSETTS INTEGRATION OF CHRONIC DISEASE PROGRAMS

4570-1530	For the purposes of a federally funded grant entitled, Massachusetts Integration of Chronic Disease Programs	202,818
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### BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM

4570-1531	For the purposes of a federally funded grant entitled, Behavioral Risk Factor Surveillance System	472,318
FEDERAL DRUG ADMINISTRATION - TOBACCO - 11		
4570-1534	For the purposes of a federally funded grant entitled, Federal Drug Administration - Tobacco - 11	658,675
MASS HEALTH IMPACT ASSESSMENT TO FOSTER HEALTHY COMMUNITY		
4570-1535	For the purposes of a federally funded grant entitled, Mass Health Impact Assessment to Foster Healthy Community	175,446
MA NUTRITION PHYSICAL ACTIVITY OBESITY PROGRAM		
4570-1536	For the purposes of a federally funded grant entitled, Massachusetts Nutrition, Physical Activity and Obesity Program	162,915
MASSACHUSETTS INTEGRATION OF CHRONIC DISEASE PROGRAM		
4570-1537	For the purposes of a federally funded grant entitled, Massachusetts Integration of Chronic Disease Program	404,627
MASSACHUSETTS COMMUNITY TRANSFORMATION - MIDDLESEX		
4570-1538	For the purposes of a federally funded grant entitled, Massachusetts Community Transformation - Middlesex	1,554,463
CHILDHOOD OBESITY		
4570-1539	For the purposes of a federally funded grant entitled, Childhood Obesity	1,743,442
CATEGORY B IMPLEMENTATION - MASS COMMUNITY TRANSFORMATION		
4570-1540	For the purposes of a federally funded grant entitled, Category B Implementation - Mass Community Transformation	1,505,006
SUPPORT FOR PREGNANT PARENTING TEEN		
4570-1541	For the purposes of a federally funded grant entitled, Support for Pregnant Parenting Teen	1,648,438
IMPROVE HEALTH OF PEOPLE W DISABILITIES - SECONDARY CONDITION		
4570-1542	For the purposes of a federally funded grant entitled, Improve Health of People With Disabilities-Secondary Condition	300,000
MASSACHUSETTS CANCER PREVENTION AND CONTROL PROGRAM		
4570-1543	For the purposes of a federally funded grant entitled, Massachusetts Cancer Prevention and Control Program	4,052,761
PAUL COVERDELL NATIONAL ACUTE STROKE REGISTRY		
4570-1544	For the purposes of a federally funded grant entitled, Paul Coverdell National	500,000

Acute Stroke Registry

ENSURING QUITLINE CAPACITY

4570-1545	For the purposes of a federally funded grant entitled, Ensuring Quitline Capacity	31,558
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<b><i>Intragovernmental Service Fund</i></b>	<b>51,815,393</b>
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CHARGEBACK FOR STATE OFFICE PHARMACY SERVICES

4510-0108	<p>For the costs of pharmaceutical drugs and services provided by the state office for pharmacy services, in this section called SOPS; provided, that SOPS shall notify in writing all agencies listed below of their obligations under this item by July 15, 2013; provided further, that SOPS shall continue to be the sole provider of pharmacy services for the following agencies currently under SOPS: the department of public health, the department of mental health, the department of developmental services, the department of correction, the department of youth services, the sheriff's departments of Bristol, Essex, Franklin, Hampden, Hampshire, Plymouth, Middlesex, Berkshire, Norfolk, Barnstable and Dukes and the soldiers' homes in Holyoke and Chelsea; provided further, that SOPS shall become the sole provider of pharmacy services to the following agencies currently not being serviced by SOPS: the sheriff's departments of Worcester and Suffolk; provided further, that SOPS shall be the sole provider of pharmacy services for all said agencies and all costs for pharmacy services shall be charged by this item; provided further, that these agencies shall not charge or contract with any other alternative vendor for pharmacy services other than SOPS; provided further, that SOPS shall develop an implementation plan to transition the following agencies within the current fiscal year: the sheriff's departments of Worcester and Suffolk; provided further, that SOPS shall validate previously-submitted pharmacy expenditures including HIV Drug Assistance Program drug reimbursements during fiscal year 2014; and provided further, that SOPS shall continue to work to reduce medication costs, provide standardized policies and procedures in a clinically responsible manner, provide comprehensive data analysis and improve the quality of clinical services</p> <p>Intragovernmental Service Fund ... 100%</p>	47,865,393
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CHARGEBACK FOR CONSOLIDATED PUBLIC HEALTH HOSPITALS

4590-0901	<p>For the costs of medical services provided at department of public health hospitals and charged to other state agencies</p> <p>Intragovernmental Service Fund ... 100%</p>	150,000
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CHARGEBACK FOR MEDICAL SERVICES FOR COUNTY CORRECTIONS INMATES

4590-0903	<p>For the costs of medical services provided at the department of public health Lemuel Shattuck hospital to inmates of county correctional facilities; provided, that those costs shall be charged to items 8910-0001, 8910-0102, 8910-0105, 8910-0107, 8910-0108, 8910-0110, 8910-0145, 8910-8200, 8910-8300, 8910-8400, 8910-8500, 8910-8600, 8910-8700, and 8910-8800 and 8910-0619</p> <p>Intragovernmental Service Fund ... 100%</p>	3,800,000
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<b><i>Retained Revenue</i></b>	<b>85,448,460</b>
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FOOD PROTECTION PROGRAM RETAINED REVENUE

4510-0020	For the department of public health, which may expend not more than \$233,000 in revenues collected from fees charged by the food protection program; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenue and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lesser of this authorization or the most recent revenue estimate, as reported in the state accounting system	233,000
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SEAL DENTAL PROGRAM RETAINED REVENUE

4510-0025	For the department of public health, which may expend not more than \$889,889 from revenues collected from MassHealth and other third party reimbursement for preventive oral health procedures for a school-based sealant program, known as the SEAL Program; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	889,889
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PHARMACEUTICAL AND MEDICAL DEVICE MARKETING REGULATION RR

4510-0040	For the department of public health, which may expend not more than \$432,188 from fees assessed under chapter 111N of the General Laws for the regulation of all pharmaceutical and medical device companies that market their products in the commonwealth; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	432,188
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NUCLEAR POWER REACTOR MONITORING FEE RETAINED REVENUE

4510-0615	For the department of public health, which may expend not more than \$180,000 from assessments collected under section 5K of chapter 111 of the General Laws for services provided to monitor, survey and inspect nuclear power reactors; provided, that the department may expend not more than \$1,678,947 from fees collected from licensing and inspecting users of radioactive material within the commonwealth under licenses presently issued by the Nuclear Regulatory Commission; provided further, that the revenues may be used for the costs of both programs, including the compensation of employees; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	1,858,947
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PRESCRIPTION DRUG REGISTRATION AND MONITORING FEE RR

4510-0616	For the department of public health, which may expend not more than \$1,295,175 for a prescription drug registration and monitoring program from revenues collected from fees charged to registered practitioners, including	1,295,175
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physicians, dentists, veterinarians, podiatrists and optometrists for controlled substance registration; provided, that funds may be expended from this item for the costs of personnel; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system

DIVISION OF HEALTH CARE QUALITY HEALTH FACILITY LICENSING FEE

4510-0712	For the department of public health, which may expend not more than \$1,587,892 in revenues collected from the licensure of health facilities for program costs of the division of health care quality and improvement; provided further, that the department may expend not more than \$893,189 from revenues collected from individuals applying for emergency medical technician licensure and recertification; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenue and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lesser of this authorization or the most recent revenue estimate, as reported in the state accounting system	2,481,081
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BOARD OF REGISTRATION IN MEDICINE FEE RETAINED REVENUE

4510-0726	For the board of registration in medicine, including the physician profiles program; provided, that the board may expend revenues not to exceed \$300,000 from new revenues associated with increased license and renewal fees	300,000
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HIV/AIDS DRUG PROGRAM MANUFACTURER REBATES RETAINED REVENUE

4512-0106	For the department of public health, which may expend not more than \$7,500,000 from revenues received from pharmaceutical manufacturers participating in the section 340B rebate program of the Public Health Service Act, administered by the federal health resources and services administration and the office of pharmacy affairs, for the human immunodeficiency virus and acquired immune deficiency syndrome drug assistance program	7,500,000
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COMPULSIVE BEHAVIOR TREATMENT PROGRAM RETAINED REVENUE

4512-0225	For the department of public health, which may expend not more than \$1,270,000 for a compulsive behavior treatment program from unclaimed prize money held in the State Lottery Fund for more than 1 year from the date of the drawing when the unclaimed prize money was won, and from the proceeds of a multi-jurisdictional lottery game under subsection (e) of section 24A of chapter 10 of the General Laws; provided, that the state comptroller shall transfer the amount to the General Fund; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenue and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lesser of this authorization or the most recent revenue estimate, as reported in the state accounting system	1,270,000
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WIC PROGRAM MANUFACTURER REBATES RETAINED REVENUE

4513-1012	For the department of public health, which may expend not more than \$27,060,000 from revenues received from the federal cost-containment initiatives including, but not limited to, infant formula rebates; provided, that for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lesser of this authorization or the most recent revenue estimate, as reported in the state accounting system	27,060,000
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BLOOD LEAD TESTING FEE RETAINED REVENUE

4516-0263	For the department of public health, which may expend not more than \$1,117,101 in revenues from various blood lead testing fees collected from insurers and individuals for the purpose of conducting these tests; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lesser of this authorization or the most recent revenue estimate, as reported in the state accounting system	1,117,101
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STATE LABORATORY TUBERCULOSIS TESTING FEE RETAINED REVENUE

4516-1022	For the department of public health, which may expend not more than \$250,619 generated by fees collected from insurers for tuberculosis tests performed at the state laboratory institute; provided, that revenues collected may be used to supplement the costs of the laboratory; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lesser of this authorization or the most recent revenue estimate, as reported in the state accounting system	250,619
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VITAL RECORDS RESEARCH CANCER AND COMMUNITY DATA

4518-0200	For the department of public health, which may expend not more than \$675,000 generated by fees collected from the following services provided at the registry of vital records and statistics: amendments of vital records, requests for vital records not issued in person at the registry and research requests performed by registry staff at the registry; provided, that revenues so collected may be used for all program costs, including the compensation of employees; provided further, that the registrar of vital records and statistics shall exempt from payment of a fee any person requesting a copy of a birth certificate for the purpose of establishing eligibility for Medicaid; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lesser of this authorization or the most recent revenue estimate, as reported in the state accounting system	675,000
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WESTERN MASSACHUSETTS HOSPITAL FEDERAL REIMBURSEMENT RETAINED

4590-0912	For the department of public health, which may expend not more than \$17,688,518 from reimbursements collected for Western Massachusetts hospital services for the operation of the Western Massachusetts hospital; provided, that notwithstanding any general or special law to the contrary, the	17,688,518
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hospital shall be eligible to receive and retain full reimbursement from the Medicaid program; provided further, that notwithstanding any general or special law to the contrary, the hospital shall reimburse the General Fund for a portion of employee benefit expenses according to a schedule submitted by the commissioner of public health and approved by the secretary of administration and finance; provided further, that this reimbursement shall not exceed 10 per cent of total personnel costs for the hospital; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system

SHATTUCK HOSPITAL PRIVATE MEDICAL VENDOR RETAINED REVENUE

4590-0913	For the department of public health, which may expend not more than \$499,827 for payments received for those services provided by the Lemuel Shattuck hospital to inmates of county correctional facilities; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lesser of this authorization or the most recent revenue estimate as reported in the state accounting system	499,827
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SHATTUCK HOSPITAL DEPARTMENT OF CORRECTION INMATE RR

4590-0917	For the department of public health, which may expend not more than \$4,387,282 from payments received from the vendor managing health services for state correctional facilities for inmate medical services provided by the Lemuel Shattuck hospital; provided further, that the payments may include capitation payments, fee for service payments, advance payments and other compensation arrangements established by contract between the vendor and the hospital; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate as reported in the state accounting system	4,387,282
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SOPS DEPARTMENT OF CORRECTION RETAINED REVENUE

4590-0918	For the state office of pharmacy services, which may expend not more than \$14,000,000 from revenues collected from vendors providing health care services to the department of correction; provided, that for the purpose of accommodating discrepancies between the receipt of retained revenue and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate as reported in the state accounting system	14,000,000
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TEWKSBURY HOSPITAL DDS CLIENT RETAINED REVENUE

4590-2001	For the department of public health, which may expend not more than \$3,509,833 of payments received for those services provided by Tewksbury hospital to clients of the department of developmental services including the provision of behavioral health services and the continuation of short term	3,509,833
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medical rehabilitation; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lesser of this authorization or the most recent revenue estimate, as reported in the state accounting system

<b><i>Trust Spending</i></b>	<b>29,232,329</b>
HARVARD CLINICAL AND TRANSLATIONAL SCIENCE COLLABORATION ET	
4500-1033	74,999
SAFETY AND HEALTH FOR HOME CARE WORKERS TRUST	
4510-0070	38,000
SUBSTANCE ABUSE SERVICES FUND	
4510-0226	3,225,000
STEWARD AND CARITAS CHRISTI IMPACT STUDY	
4510-0410	150,000
IMPROVING TRANSITIONS EXPENDABLE TRUST	
4510-0603	3,985
UREA FORMALDEHYDE FOAM INSULATION FOR HOMEOWNERS	
4510-0606	38,940
RADIATION CONTROL TRUST	
4510-0622	607,381
SURVEILLANCE OF HEALTH OUTCOMES AND DRINKING WATER QUALITY TES	
4510-0623	17,200
LOW LEVEL RADIOACTIVE WASTE REBATE	
4510-0625	275,281
LEAD PAINT EDUCATION AND TRAINING	
4510-0635	2,013,307
CIVIL MONETARY PENALTIES	
4510-0714	282,650
HEALTH BOARDS PROFESSIONAL LICENSURE TRUST	

## FY2014 Governor's Budget Recommendation

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4510-0727	11,060,085
BOARD OF REGISTRATION IN MEDICINE TRUST	
4510-0729	9,510,799
FY12 BORIM PHYSICIAN WORKFORCE EXPENDABLE TRUST	
4510-0732	50,000
MASS HOSPITAL SCHOOL TELECOMMUNICATIONS	
4510-2059	11,054
WESTERN MASS HOSPITAL TELECOMMUNICATIONS TRUST	
4510-2062	50,974
LEMUEL SHATTUCK HOSPITAL TELECOMMUNICATIONS TRUST	
4510-2082	12,360
ORGAN TISSUE DONOR REGISTRATION	
4510-6837	52,750
ORGAN TRANSPLANT FUND	
4510-6921	125,000
HEALTH IMPACT OF SPRINGFIELD BIOMASS ENERGY FACILITY TRUST	
4510-9050	77,934
MASSACHUSETTS AIDS FUND	
4512-0105	165,000
WELLNESS INITIATIVE EXPENDABLE TRUST	
4513-1110	134,000
PELL DATA SYSTEM AND RESEARCH EXPENDABLE TRUST	
4513-9095	150,000
CATASTROPHIC ILLNESS IN CHILDREN RELIEF	
4514-0100	382,940
SPINAL CORD INJURY TRUST FUND	
4514-0200	250,000

MEDICAL RESERVE CORPS TRAINING PROJECT TRUST	
4516-1029	10,000
BIO-WATCH LABORATORY SUPPORT TRUST	
4516-1032	100,000
BEHAVIORAL RISK FACTOR SURVEILLANCE TRUST	
4518-9031	22,625
NEWBORN SCREENING SERVICES EXPENDABLE TRUST	
4518-9035	208,531
MASS CHIP SYSTEM TRUST	
4518-9042	1,757
ENHANCE CANCER REGISTRY DATA - COMPARATIVE	
4518-9046	17,601
MASSACHUSETTS TECHNOLOGY COLLABORATIVE MTC TRUST	
4518-9047	58,990
BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM SURVEY AND DAET	
4518-9048	25,000
LOAN REPAYMENT PROGRAM FOR HEALTH PROFESSIONALS TRUST	
4570-1532	28,186

## Housing and Economic Development

### Fiscal Year 2014 Resource Summary (\$000)

Department	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Business Development	7,504	23	7,527	5
Department of Housing and Community Development	351,239	508,802	860,041	2,733
Department of Telecommunications and Cable	2,974	0	2,974	5,234
Division of Banks	18,693	0	18,693	25,953
Division of Insurance	13,689	3,091	16,781	91,502
Division of Professional Licensure	3,326	9,805	13,131	16,155
Division of Standards	2,015	0	2,015	3,138
Massachusetts Marketing Partnership	16,062	1,007	17,069	0
Office of Consumer Affairs and Business Regulation	1,338	392	1,729	1,250
Office of the Secretary of Housing and Economic Development	68,855	10,068	78,923	0
<b>TOTAL</b>	<b>485,696</b>	<b>533,188</b>	<b>1,018,884</b>	<b>145,971</b>

### Historical Employment Levels

Department	June FY2010	June FY2011	June FY2012	Approved FY2013	Projected FY2014
Department of Business Development	48	23	24	22	22
Department of Housing and Community Development	190	177	183	189	189
Department of Telecommunications and Cable	22	20	22	24	24
Division of Banks	156	160	158	158	158
Division of Insurance	120	109	110	128	138
Division of Professional Licensure	97	87	88	80	88
Division of Standards	17	16	16	25	25
Massachusetts Marketing Partnership	0	21	20	20	20
Office of Consumer Affairs and Business Regulation	26	24	24	23	22
Office of the Secretary of Housing and Economic Development	16	26	22	21	21
<b>TOTAL</b>	<b>693</b>	<b>663</b>	<b>666</b>	<b>690</b>	<b>707</b>

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2014 FTE figures are preliminary and may not represent actual levels .

**Department of Business Development**

The mission of the Massachusetts Office of Business Development (MOBD) is to strengthen the Massachusetts economy by providing a highly responsive, pro business climate that stimulates job growth and builds on the core economic strengths of every region. MOBD facilitates access to resources and incentive programs that help businesses thrive in Massachusetts. By providing guidance and expertise, MOBD creates a dynamic environment for business expansion and growth across the Commonwealth.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Business Development	7,504	23	7,527	5

<http://www.mass.gov/dbt>

**Budgetary Direct Appropriations 7,504,080**

REGIONAL ECONOMIC DEVELOPMENT GRANTS

7007-0150 For the Massachusetts office of business development for contracts with regional economic development organizations under the program established by section 3J and 3K of chapter 23A of the General Laws  
General Fund ... 50%  
Manufacturing Fund ... 50% 850,000

MASSACHUSETTS OFFICE OF BUSINESS DEVELOPMENT

7007-0300 For the operation of the Massachusetts office of business development, which shall include the operation and support of capital grants programs, including but not limited to the MassWorks capital infrastructure program, the operation of the Massachusetts office of small business and entrepreneurship and for marketing and promoting the commonwealth in order to attract and retain targeted businesses and industries 1,699,794

FOR MASSACHUSETTS BIOTECHNOLOGY RESEARCH

7007-0500 For the operation and maintenance of the Massachusetts Biotechnology Research Institute for the purpose of promoting the commercialization of new, academic-based research and development and raising the scientific awareness of the communities of the commonwealth 250,000

SMALL BUSINESS DEVELOPMENT CENTER AT UMASS

7007-0800 For a state matching grant for a small business development center; provided, that no funds may be expended from this item until the United States Small Business Administration has made a payment or has executed a contract to pay the University of Massachusetts at Amherst for the operation of the center; provided further, that the funds expended from this item shall not exceed 25 per cent of the gross operating cost of the center; provided further, that not more than \$300,000 from this item shall be expended for federal procurement technical assistance services within the center, subject to the receipt of matching funds from federal or private sources including the Department of Defense; and provided further, that the services shall include, but not be limited to, assisting businesses in securing federal contracts, obtaining contract financing, generating responses to requests for proposals, 1,204,286

interpreting bid documents, providing educational workshops and seminars and the electronic identification and tracking of federal bid opportunities

COMMONWEALTH ZOOLOGICAL CORPORATION

7007-0952	For the operation of the Commonwealth Zoological Corporation under chapter 92B of the General Laws; provided, that the funds appropriated in this item shall be used to promote private fundraising, achieve self-sufficiency and serve as a catalyst for urban economic development and job opportunities for local residents; and provided further, that not less than \$750,000 shall be expended on a matching program to encourage private and corporate donations to support the Franklin Park Zoo and Stone Zoo Massachusetts Tourism Fund ... 100%	3,500,000
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<b>Trust Spending</b>	<b>23,194</b>
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SMALL BUSINESS AND ENTREPRENEURSHIP TRUST

7007-9010		10,500
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INDUSTRY SPECIALIST PROGRAM

9000-1809		12,694
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**Department of Housing and Community Development**

The Department of Housing and Community Development (DHCD) is the agency responsible for providing leadership, professional assistance and financial resources to promote safe, decent and affordable housing opportunities, economic vitality of communities and sound municipal management. These goals and objectives are reached in partnership with regional and local governments, public agencies, community-based organizations and the business community. DHCD is committed to programs and funding that primarily target populations of low-to-moderate incomes and those with special needs; coordinating, integrating and balancing agency responses to address the comprehensive needs and interests of communities; programs and technical assistance designed to facilitate informed decision-making at the local level and to encourage self-sufficiency of residents and communities; and sound business practices that ensure the highest standards of public accountability and responsibility.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Housing and Community Development	351,239	508,802	860,041	2,733

<http://www.mass.gov/dhcd>

<b>Budgetary Direct Appropriations</b>	<b>348,704,078</b>
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INDIAN AFFAIRS COMMISSION

7004-0001	For the operation of the commission on indian affairs	109,696
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DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT ADMINISTRATION

7004-0099 For the operation of the department of housing and community development; provided, that notwithstanding any general or special law, rule or regulation to the contrary, the department may conduct annual verifications of household income levels based upon state tax returns for the purposes of administering the state and federal housing subsidy programs funded in items 7004-9005, 7004-9009, 7004-9014, 7004-9019, 7004-9020, 7004-9024, 7004-9030, 7004-9033 and 7004-9316; provided further, that for the purposes of conducting this income verification, the director of the department may enter into an interdepartmental service agreement with the commissioner of revenue to utilize the department of revenue's wage reporting and bank match system for the purpose of verifying the income and eligibility of participants in federally assisted housing programs and that of members of the participants' households; provided further, that as a condition of eligibility or continued occupancy by an applicant or a tenant, the department may require disclosure of the social security number of an applicant or tenant and members of the applicant's or tenant's household for use in verification of income eligibility; provided further, that the department may deny or terminate participation in subsidy programs for failure by an applicant or a tenant to provide a social security number for use in verification of income eligibility; provided further, that the department may also consult with the department of revenue, the department of transitional assistance or any other state or federal agency which it considers necessary to conduct this income verification; provided further, that notwithstanding any general or special law to the contrary, these state agencies shall consult and cooperate with the department and furnish any information in the possession of the agencies including, but not limited to, tax returns and applications for public assistance or financial aid; provided further, that for the purposes of clarification only, notwithstanding section 12 of chapter 490 of the acts of 1980, the department may authorize neighborhood housing services corporations to retain, re-assign and re-loan funds received in repayment of loans made under the neighborhood housing services rehabilitation program; provided further, that notwithstanding any general or special law to the contrary, the department may make expenditures for the purposes of the department against federal grants for certain direct and indirect costs under a cost overhead allocation plan approved by the comptroller; provided further, that the comptroller shall maintain an account on the Massachusetts management accounting and reporting system for the purpose of making these expenditures; and provided further, that expenditures made against the account shall not be subject to appropriation and may include the cost of personnel

6,362,790

OPERATION OF HOMELESS PROGRAMS

7004-0100 For the operations of the homeless shelter and services unit, including the compensation of caseworkers and support personnel

5,835,613

EMERGENCY ASSISTANCE-FAMILY SHELTERS AND SERVICES

7004-0101 For certain expenses of the emergency assistance program pursuant to section 30 of chapter 23B of the General Laws; provided, that eligibility shall be limited to families with incomes at or below 115 per cent of the 2011 or later-issued higher federal poverty level; provided further, that any family whose income exceeds 115 per cent of the federal poverty level while the family is receiving assistance funded by this item shall not become ineligible for assistance due to exceeding the income limit for a period of 6 months from the date that the income level was exceeded; provided further, that families

91,771,700

that shall be eligible for assistance throughout a temporary emergency family shelter shall include: (i) families that are at risk of domestic abuse in their current housing situation or who are homeless because they fled domestic violence and have not had access to safe, permanent housing since leaving the housing situation in which they fled; (ii) families that, through no fault of their own, are homeless due to fire, flood, or natural disaster; (iii) families that, through no fault of their own, have been subject to eviction from their most recent housing due to: (a) foreclosure; (b) condemnation; (c) conduct by a guest or former household member who is not part of the household seeking emergency shelter and over whose conduct the remaining household members had no control; or (d) nonpayment of rent caused by a documented medical condition or diagnosed disability or caused by a documented loss of income within the last 12 months directly as a result of a change in household composition or a loss of income source through no fault of the family; and (iv) families who are in a housing situation where they are not the primary lease holder or who are in a housing situation not meant for human habitation and where there is a substantial health and safety risk to the family that is likely to result in significant harm should the family remain in such housing situation; provided further, that the health and safety risk shall be determined by the department of children and families through risk assessments; provided further, that a family who receives emergency housing assistance due to domestic abuse shall be connected to the appropriate social service agency; provided further, temporary assistance under this item shall be terminated upon the offer of available housing or other assistance sufficient to maintain or stabilize housing; provided further, that a family may not decline an offer for available housing if that offer adequately accommodates the size and disabilities of the family and the new housing placement shall not result in a job loss for the client; provided further, any family that declines an adequate offer of available housing or other assistance sufficient to maintain or stabilize housing shall become ineligible for assistance from this item; provided further, that families receiving benefits under this item shall have 30 per cent of their income set aside in a savings account, subject to reasonable exceptions as set forth in departmental regulations in effect in fiscal year 2014; provided further, that the amount saved shall be exempt from otherwise applicable asset limits; provided further, that the family may withdraw the amount placed in savings upon transition to permanent housing or losing eligibility for shelter services; provided further, that families who receive benefits under this item for longer than 32 weeks after July 1, 2012 shall not be eligible for household assistance under item 7004-0108 until 12 months from the date of exit from shelter; provided further, that families receiving emergency assistance shall receive housing search assistance that attempts to facilitate a sustainable housing placement within 16 weeks of entry into the emergency assistance shelter, motel, or hotel; provided further, that families receiving assistance for longer than 32 weeks shall have an executable shelter exit plan that facilitates a housing placement in a new sustainable tenancy or in a safe residence, including, but not limited to, a placement for which the family is not the primary lease holder, as soon as possible; provided further, that benefits under this item shall be provided only to residents of Massachusetts who are citizens of the United States or aliens lawfully admitted for permanent residence or otherwise permanently residing under color of the law in the United States; provided further, that the department shall take all necessary steps to enforce the regulations to prevent abuse of the emergency assistance program, including a wage match agreement with the department of revenue; provided further, that eligibility for shelter by an otherwise eligible family shelter shall not be impaired by prior receipt of any non-shelter benefit; provided further, that an eligible household that is approved for shelter placement shall be placed in a shelter as close as possible to the household's home community unless a household requests otherwise; provided further, that if the closest available placement is not within 20 miles of the household's home

community, the household shall be transferred to an appropriate shelter within 20 miles of its home community at the earliest possible date unless the household requests otherwise; provided further, that the department shall notify local school departments of the placement of a family in its district within 5 days of placement; provided further, that the department shall make every effort to ensure that children receiving services from this item shall continue attending school in the community in which they lived prior to receiving services funded from this item; provided further, that the department shall use its best efforts to ensure that a family placed by the emergency assistance program shall be provided with access to refrigeration and basic cooking facilities; provided further, that should a family with a child under the age of 3 be placed in a hotel or motel, the department of housing and community development shall ensure that the hotel or motel provides a crib for each such child under the age of 3 that meets all the state and federal safety codes; provided further, that the department shall not impose unreasonable requirements for third-party verification and shall accept verifications from a family whenever reasonable; provided further, that this item shall be subject to appropriation and, in the event of a deficiency, nothing in this item shall give rise to or shall be construed as giving rise to any enforceable right or entitlement to services in excess of the amounts appropriated herein; provided further, that no funds shall be expended for personnel or administrative costs; provided further, that no funds shall be expended for costs associated with the homeless management information system; provided further, that the department shall endeavor to convert scattered site units to congregate units and, as allowed by demand, reduce the overall number of shelter beds through the reduction of scatter site units; and provided further, that funds from this item may be transferred to item 7004-0103

HOMELESS INDIVIDUALS ASSISTANCE

7004-0102 For the homelessness program to assist individuals who are homeless or in danger of becoming homeless, including assistance to organizations that received funding in 2013 and that provide shelter, transitional housing and services that help individuals avoid entry into shelter or successfully exit shelter; provided, that no organization providing services to the homeless shall receive less than an average per bed/per night rate of \$25; provided further, that the department may allocate funds to other agencies for the purposes of this program; provided further, that no funds shall be expended for costs associated with the homeless management information system; and provided further, that programs that currently provide shelter may renegotiate how they will use their shelter fund, with the agreement of the department and the host cities or towns, to provide alternative services that have proven to be effective including housing first and rapid rehousing models 40,250,335

HOMELESS FAMILY EMER ASSIST. SHELTER OVERFLOW HOTELS & MOTELS

7004-0103 For certain expenses of the emergency assistance program pursuant to section 30 of chapter 23B of the General Laws; provided, that funds shall be expended for expenses incurred as a result of families being housed in hotels or motels due to the unavailability of contracted shelter beds 9,978,990

HOME AND HEALTHY FOR GOOD PROGRAM

7004-0104 For the home and healthy for good program operated by the Massachusetts Housing and Shelter Alliance for the purpose of reducing the incidence of chronic homelessness in the commonwealth; provided, that the Massachusetts Housing and Shelter Alliance shall be solely responsible for 1,400,000

the administration of this program

MASSACHUSETTS SHORT TERM HOUSING TRANSITION PROGRAM

7004-0108	<p>For a program of short-term housing assistance to help families in addressing obstacles to maintaining or securing housing for: (i) families eligible for temporary emergency shelter under item 7004-0101; and (ii) families that received rental assistance under this item prior to July 1, 2012; provided, that the assistance provided under this item shall include not less than 12 months of housing stabilization and economic self-sufficiency case management services for each family receiving benefits under this item; provided further, that the assistance may include, but shall not be limited to: payments of rent and utility arrears, a portion of the household's monthly rent, first month's rent, last month's rent, security deposit, utility charges and extraordinary medical bills; provided further, that except for a family receiving rental assistance, no other assistance from this item shall exceed \$4,000 in a 12 month period; provided further, that, excluding families receiving rental assistance, a family shall not receive more than a combined sum of \$4,000 in a 12 month period from this item and item 7004-9316; provided further, that a family shall not be able to receive cash assistance hereunder for 12 months from the last date it received cash assistance; provided further, that families that received rental assistance under this item prior to July 1, 2012 shall remain eligible for assistance greater than \$4,000 under this item provided that the monthly rent for the housing does not exceed the amount approved by the department of housing and community development; provided further, that families eligible for rental assistance shall pay not more than 35 per cent of household income towards rent and utilities; provided further, that a family's eligibility for rental assistance provided hereunder shall not exceed a period of 24 successive months from the date the family first received rental assistance hereunder, not including time spent in temporary accommodations; provided further, that a family that is terminated from the program because it has received 24 successive months of rental assistance shall not be able to receive assistance hereunder for 12 months from the last date it received assistance through this program; provided further, that families receiving services through item 7004-0101 for 32 weeks or fewer since July 1, 2012 shall be eligible for up to \$4,000 in assistance over 12 months; provided further, that families receiving services through item 7004-0101 for longer than 32 weeks from July 1, 2012 through June 30, 2013 shall not be eligible for assistance through this item until 12 months from the date of exit from shelter; provided further, that so long as they meet the requirements of their housing stabilization plan, a family that received household assistance pursuant to this item who exceeds the income eligibility criteria pursuant to section 30 of chapter 23B of the General Laws shall not become ineligible for assistance due to exceeding the income limit for a period of 6 months from the date that the household's income exceeded 50 per cent of the area median income; provided further, that so long as they meet the requirements of their housing stabilization plan, a family that received rental assistance pursuant to this item prior to July 1, 2012 whose income exceeds 50 per cent of area median income, shall not become ineligible for assistance due to exceeding the income limit for a period of 6 months from the date that the 50 per cent level was exceeded; provided further, that the continued eligibility of the family shall be determined on an annual basis; provided further, that a family shall not be deemed ineligible as a result of any single violation of a self-sufficiency plan; provided further, that the department shall take all steps necessary to enforce regulations to prevent abuse in the short-term housing transition program including a wage match agreement with the department of revenue; provided further, that a family that was terminated from the program or did not make a good faith effort to follow its housing stabilization plan during the term of its assistance shall be ineligible for benefits pursuant to item 7004-0101 and this item for 24 months</p>	58,788,556
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from the last date upon which they received assistance hereunder, including housing stabilization and economic self-sufficiency case management services; provided further, that a family's housing stabilization plan shall adequately accommodate the age and disabilities of the family members; provided further, that no family with a head of household who is over 60 years of age or who is disabled and who is in compliance with the requirements of a housing stabilization plan that accommodates disabilities shall be denied short-term housing assistance; provided further, that any such family with a head of household who is over 60 years of age or who is disabled shall not have engaged in, or be engaged in, any activity that threatens the health, safety or security of the family, other program participants or program staff; provided further, that families receiving benefits under this program who are found not to be eligible for continuing benefits shall be eligible for aid pending a timely appeal pursuant to said chapter 23B; provided further, that families who are denied assistance under this item may appeal pursuant to said chapter 23B, including subsection (F) of section 30, and regulations adopted to implement said chapter 23B; provided further, that benefits under this item shall be provided only to residents of Massachusetts who are citizens of the United States or aliens lawfully admitted for permanent residence or otherwise permanently residing under color of law in the United States; provided further, that the department, as a condition of continued eligibility for assistance pursuant to this program, may require disclosure of social security numbers by all members of a family receiving assistance hereunder for use in verification of income with other agencies, departments and executive offices; provided further, that any family in which a member of the family fails to provide a social security number for use in verifying the family's income and eligibility shall no longer be eligible to receive benefits from this program; provided further, that the department shall administer this program through the following agencies unless administering agencies are otherwise procured by the department: the Berkshire Housing Development Corporation, the Central Massachusetts Housing Alliance, Inc., Community Teamwork, Inc., the Housing Assistance Corporation, the Franklin County Housing and Redevelopment Authority, Hap, Inc., the Metropolitan Boston Housing Partnership, Inc., the Lynn Housing Authority and Neighborhood Development, the South Middlesex Opportunity Council, Inc., the South Shore Housing Development Corporation and RCAP Solutions, Inc; provided further, that the department may also utilize community action agencies to administer housing stabilization and economic self-sufficiency services; provided further, that the department of housing and community development shall reallocate financing based on performance based statistics from under-performing service providers to above average service providers in order to move as many families from hotel, motels, or shelters into more sustainable housing; provided further, that the department shall use funds provided for this program for stabilization workers to focus efforts on housing retention, and link households to supports including job training, education, job search, and childcare opportunities available and may enter into agreements with other public and private agencies for the provision of such services, and that a stabilization worker shall be assigned to each household; and provided further, that all of this item shall be subject to appropriation and, in the event of a deficiency, nothing in this item shall give rise to or shall be construed as giving rise to any enforceable right or entitlement to services in excess of the amounts appropriated in this item

HOUSING SERVICES AND COUNSELING

7004-3036	For housing services and counseling; provided, that funds shall be expended as grants to 9 regional housing consumer education centers operated by the regional nonprofit housing authorities; provided further, that the grants shall be awarded through a competitive application process under criteria created by the department; and provided further, that no funds shall be expended from	1,395,996
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this item in the AA object class for the compensation of state employees

TENANCY PRESERVATION PROGRAM

7004-3045	For a tenancy preservation program for neutral party consultation services in eviction cases before the housing court department of the Massachusetts trial court for individuals with disabilities and for families that contain individuals with disabilities if the disability is directly related to the reason for eviction	350,000
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SERVICE COORDINATORS PROGRAM

7004-4314	For the expenses of a service coordinators program established by the department to assist tenants residing in housing developed under sections 39 and 40 of chapter 121B of the General Laws	350,401
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SUBSIDIES TO PUBLIC HOUSING AUTHORITIES

7004-9005	For subsidies to housing authorities and nonprofit organizations including funds for deficiencies caused by certain reduced rentals in housing for the elderly, disabled, veterans and relocated persons under sections 32 and 40 of chapter 121B of the General Laws; provided, that the department may expend funds appropriated in this item for deficiencies caused by certain reduced rentals which may be anticipated in the operation of housing authorities for the first quarter of the subsequent fiscal year; provided further, that no monies shall be expended from this item for the purpose of reimbursing the debt service reserve included in the budgets of housing authorities; provided further, that the amount appropriated in this item shall be considered to meet any and all obligations under said sections 32 and 40 of said chapter 121B; provided further, that any new reduced rental units developed in fiscal year 2013 eligible for subsidies under this item shall not cause any annualization that results in an amount exceeding the amount appropriated in this item; provided further, that no funds shall be expended from this item in the AA object class for the compensation of state employees; provided further, that all funds in excess of normal utilities, operations and maintenance costs may be expended for capital repairs; and provided further, that the administration shall make every attempt to direct efforts toward rehabilitating local housing authority family units requiring \$10,000 or less in repairs	64,400,000
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MASSACHUSETTS RENTAL VOUCHER PROGRAM

7004-9024	For a program of rental assistance for low-income families and elderly persons through mobile and project-based vouchers; provided, that rental assistance shall only be paid under a program to be known as the Massachusetts rental voucher program; provided further, that the income of the households shall not exceed 50 per cent of the area median income; provided further, that the department may award mobile vouchers to eligible households currently occupying project-based units that shall expire due to the nonrenewal of project-based rental assistance contracts; provided further, that any household in which a participant or member of a participant's household shall fail to provide a social security number for use in verifying the household's income and eligibility shall no longer be eligible for a voucher or to receive benefits from the voucher program; provided further, that the vouchers shall be in varying dollar amounts and shall be set by the department based on considerations, including, but not limited to, family size, composition, income level and geographic location; provided further, that notwithstanding any general or special law to the contrary, the monthly dollar amount of each voucher shall be the department-approved total monthly rent of the unit less the monthly amount paid for rent by the household; provided further, that	46,500,000
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notwithstanding any general or special law to the contrary, the use of rent surveys shall not be required in determining the amounts of the mobile vouchers or the project-based units; provided further, that any household which is proven to have caused intentional damage to its rental unit in an amount exceeding 2 months of rent during any 1-year lease period shall be terminated from the program; provided further, that notwithstanding any general or special law to the contrary, a mobile voucher whose use is or has been discontinued shall be reassigned within 90 days; provided further, that the department shall pay agencies a base administrative fee for the costs of administering the program; provided further, that notwithstanding any general or special law to the contrary, each household holding a project-based voucher shall pay at least 30 per cent but not more than 40 per cent of its income as rent, and each household holding a mobile voucher shall pay at least 30 per cent but not more than 40 per cent of its income as rent; provided further, that the department shall establish the amounts of the mobile vouchers and the project-based vouchers so that the appropriation in this item is not exceeded by payments for rental assistance and administration; provided further, that the department shall not enter into commitments which shall cause it to exceed the appropriation set forth in this item; provided further, that the households holding mobile vouchers shall have priority for occupancy of the project-based dwelling units in the event of a vacancy; provided further, that the department may impose certain obligations for each participant in the Massachusetts rental voucher program through a 12-month contract which shall be executed by the participant and the department; provided further, that such obligations may include, but shall not be limited to, job training, counseling, household budgeting and education, as defined in regulations promulgated by the department and to the extent these programs are available; provided further, that each participant shall be required to undertake and meet these contractually established obligations as a condition for continued eligibility in the program; provided further, that for continued eligibility, each participant shall execute this 12-month contract on or before September 1, 2013, if the participant's annual eligibility recertification date occurs between June 30, 2013 and September 1, 2013, and otherwise on or before the annual eligibility recertification date; provided further, that any participant who is over the age of 60 years or who is disabled may be exempted from any obligations unsuitable under particular circumstances; provided further, that the department may assist housing authorities, at their written request, in the immediate implementation of a homeless prevention program utilizing alternative housing resources available to them for low-income families and the elderly by designating participants in the Massachusetts rental voucher program as at risk of displacement by public action through no fault of their own; provided further, that participating local housing authorities may take all steps necessary to enable them to transfer mobile voucher program participants from the Massachusetts rental voucher program into another housing subsidy program; provided further, that not less than \$1,160,000 shall be available for a program to be known as the Massachusetts rental voucher supportive housing program to serve households with at least one child whose age upon determination of the household's eligibility for assistance under this item is less than 21 years; provided further, that assistance under the Massachusetts rental voucher supportive housing program shall be project-based and shall include case management services; and provided further, that the department of housing and community development shall strive to avoid a reduction in the value of the Massachusetts rental voucher from its value as of June 30, 2013

ALTERNATIVE HOUSING VOUCHER PROGRAM

7004-9030	For a program of rental assistance for non-elderly persons with disabilities established under chapter 179 of the acts of 1995; provided, that	3,450,000
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notwithstanding any general or special law to the contrary, rental assistance shall be in the form of mobile vouchers; provided further, that the vouchers shall be in varying amounts and set by the department based on considerations including, but not limited to, household size, composition, household income and geographic location; provided further, that any household which is proven to have caused intentional damage to its rental unit in an amount exceeding 2 months' rent during any 1-year lease period shall be terminated from the program; provided further, that the department shall pay agencies an administrative fee per voucher per month to be determined by the department for the costs of administering the program; provided further, that notwithstanding any general or special law to the contrary, there shall be no maximum percentage applicable to the amount of income paid for rent by each household holding a mobile voucher, but each household shall be required to pay not less than 25 per cent of its net income, as defined in regulations adopted by the department, for units if utilities are not provided by the unit owner or not less than 30 per cent of its income for units if utilities are provided by the unit owner; provided further, that payments for rental assistance may be provided in advance; provided further, that the department shall establish the amounts of the mobile vouchers, so that this appropriation is not exceeded by payments for rental assistance and administration; provided further, that the department shall not enter into commitments which will cause it to exceed this appropriation; provided further, that the amount of a rental assistance voucher payment for an eligible household shall not exceed the rent less the household's minimum rent obligation; provided further, that the word "rent" as used in this item shall mean payments to the landlord or owner of a dwelling unit under a lease or other agreement for a tenant's occupancy of the dwelling unit, but shall not include payments made by the tenant separately for the cost of heat, cooking fuel and electricity; and provided further, that nothing stated in this item shall give rise to or shall be construed as giving rise to enforceable legal rights in any party or an enforceable entitlement to any form of housing

RENTAL SUBSIDY PROGRAM FOR DEPARTMENT OF MENTAL HEALTH CLIENTS

7004-9033	For rental subsidies to eligible clients of the department of mental health; provided, that the department shall establish the subsidy amounts so that payment of the subsidies and any other commitments from this item do not exceed the amount appropriated in this item	4,000,000
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RESIDENTIAL ASSISTANCE FOR FAMILIES IN TRANSITION

7004-9316	For a program to provide assistance in addressing obstacles to maintaining or securing housing for families with: (1) a household income not greater than 30 per cent of area median income that are homeless and moving into subsidized or private housing or are at risk of becoming homeless, or (2) a household income greater than 30 per cent but not more than 50 per cent of area median income that are homeless and moving into subsidized or private housing, or are at risk of becoming homeless due to a significant reduction of income or increase in expenses; provided, that assistance shall be administered by the department through contracts with the regional non-profit housing agencies; provided further, that not less than 90 per cent of the funds shall be provided to households with an income not greater than 30 per cent of area median income, subject to the department's discretion based on data reflecting program demand and usage; provided further, that in distributing 90 per cent of the funds, the department shall prioritize those families most likely to otherwise require shelter services under item 7004-0101; provided further, that a family shall not be eligible for assistance hereunder for 12 months from the last date it received cash assistance under item 7004-0108; provided further, that the amount of financial assistance shall not exceed \$4,000 in any	8,760,000
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12 month period; provided further, that prior to authorizing a residential assistance payment for a family, the administering agency shall make a finding that the payment will enable the family to retain its current housing, obtain new housing or otherwise avoid homelessness; provided further, that in making these findings the agency shall, unless the facts of the case warrant otherwise, apply a presumption that the payment will enable a family to retain its housing, obtain new housing or otherwise avoid homelessness; provided further, that residential assistance payments may be made through direct vendor payments according to standards to be established by the department; provided further, that the agencies shall establish a system for referring families approved for residential assistance payments, if the agencies determine that the family would benefit from these services, to existing community-based programs that provide additional housing stabilization supports, including assistance in obtaining housing subsidies and locating alternative housing that is safe and affordable for those families; and provided further, that the program shall be administered under guidelines established by the department

COMMONWEALTH HOUSING MANAGEMENT

7004-9319	For the costs of establishing 6 regional public housing authorities that will assume ownership and operating responsibility of all existing housing authorities under the new regional authorities including but not limited to: a) systems related to accounting and budgeting, reporting, property operations, information technology; b) for personnel costs for system design; c) for office space and equipment and supplies for each authority; and d) for hiring of executive and regional staff to set up systems and ensure all staff are trained prior to the date that the regional authorities commence operation	5,000,000
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<b>Federal Grant Spending</b>	<b>479,345,253</b>
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MCKINNEY EMERGENCY SHELTER GRANTS PROGRAM

4400-0705	For the purposes of a federally funded grant entitled, McKinney Emergency Shelter Grants Program	5,000,000
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CONTINUUM OF CARE SUPPLEMENTAL HOUSING

4400-0707	For the purposes of a federally funded grant entitled, Continuum of Care Supplemental Housing	6,000,000
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MCKINNEY SHELTER PLUS CARE-CONTINUUM OF CARE

4400-9404	For the purposes of a federally funded grant entitled, Mckinney Shelter Plus Care - Continuum of Care	3,400,000
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WEATHERIZATION ASSISTANCE FOR LOW INCOME PERSONS

7004-2030	For the purposes of a federally funded grant entitled, Weatherization Assistance for Low Income Persons	5,039,884
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LOW INCOME HOME ENERGY ASSISTANCE PROGRAM

7004-2033	For the purposes of providing advanced funding no later than 30 days after the start of the fiscal year to eligible entities that administer the federal Low	133,623,245
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## FY2014 Governor's Budget Recommendation

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### Income Home Energy Assistance Program

#### COMMUNITY SERVICE BLOCK GRANT

7004-2034	For the purposes of a federally funded grant entitled, Community Service Block Grant	17,593,784
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#### SMALL CITIES COMMUNITY DEVELOPMENT BLOCK GRANT

7004-3037	For the purposes of a federally funded grant entitled, Small Cities Community Development Block Grant	28,672,755
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#### NEIGHBORHOOD STABILIZATION BLOCK GRANT

7004-3038	For the purposes of a federally funded grant entitled, Neighborhood Stabilization Block Grant	10,589,989
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#### HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM-ARRA

7004-3051	For the purposes of a federally funded grant entitled, Homelessness Prevention and Rapid Re-Housing Program - ARRA	47,039
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#### SECTION 8 SUBSTANTIAL REHABILITATION PROGRAM

7004-9009	For the purposes of a federally funded grant entitled, Section 8 Substantial Rehabilitation Program	9,120,761
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#### FEDERAL HOUSING VOUCHER PROGRAM

7004-9014	For the purposes of a federally funded grant entitled, Federal Housing Voucher Program	236,900,000
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#### SECTION 8 MODERATE REHABILITATION PROGRAM

7004-9019	For the purposes of a federally funded grant entitled, Section 8 Moderate Rehabilitation Program	9,325,904
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#### SECTION 8 NEW CONSTRUCTION PROGRAM

7004-9020	For the purposes of a federally funded grant entitled, Section 8 New Construction Program	6,330,954
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#### HOME INVESTMENT PARTNERSHIPS

7004-9028	For the purposes of a federally funded grant entitled, Home Investment Partnerships	7,606,938
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#### HOME TECHNICAL ASSISTANCE

7004-9039	For the purposes of a federally funded grant entitled, Home Technical Assistance	94,000
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<b>Retained Revenue</b>		<b>2,535,033</b>
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LOW-INCOME HOUSING TAX CREDIT FEE RETAINED REVENUE

7004-9315	The department of housing and community development may expend for the administration and monitoring of the low-income housing tax credit and local administration programs an amount not to exceed \$2,535,033 from fees collected under those programs; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate as reported in the state accounting system	2,535,033
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<b><i>Trust Spending</i></b>	<b>29,456,959</b>
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MOVING TO ECONOMIC OPPORTUNITY EXPENDABLE TRUST

7004-0013		293,478
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HOUSING STABILIZATION AND PRESERVATION TRUST

7004-0110		20,000,000
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INFRASTRUCTURE DEVELOPMENT FUND

7004-2240		3,716,118
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SECTION 8 SUBSTANTIAL REHABILITATION ADMINISTRATIVE FEE

7004-2361		227,201
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SECTION 8 ADMINISTRATIVE FEE HOUSING VOUCHER

7004-2363		3,051,818
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SECTION 8 ADMINISTRATIVE FEE MODERATE REHABILITATION

7004-2364		295,679
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SECTION 8 ADMINISTRATIVE FEE NEW CONSTRUCTION

7004-2365		446,807
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SMART GROWTH HOUSING TRUST

7004-4500		1,035,440
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MASSACHUSETTS HOME INVESTMENT PARTNERSHIP TRUST

7004-9026		234,372
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AFFORDABLE HOUSING TRUST FUND

7004-9300		156,046
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**Department of Telecommunications and Cable**

The mission of the Department of Telecommunications and Cable is to regulate the telecommunications and cable industries in accordance with statutory obligations imposed by the Commonwealth of Massachusetts and the federal government; to promote competition and protect consumers consistent with the public interest, including investigating and responding to carrier and consumer inquiries and complaints related to telecommunications and cable services; and to provide expert input, as requested by the Administration, to the development of telecommunications-related policies for the Commonwealth.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Telecommunications and Cable	2,974	0	2,974	5,234

<http://www.mass.gov/ocabr/government/oca-agencies/dtc-lp/>

**Budgetary Direct Appropriations** **2,974,024**

DEPARTMENT OF TELECOMMUNICATIONS AND CABLE

7006-0071	For the operation of the department of telecommunications and cable; provided, that notwithstanding the second sentence of section 7 of chapter 25C of the General Laws, the assessments levied for fiscal year 2014 under this section shall be made at a rate sufficient to produce 100 per cent of the amount appropriated in this item, and the associated fringe benefits costs for personnel paid from this item	2,974,024
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**Division of Banks**

The mission of the Division of Banks is to advance the public interest with the highest level of integrity and innovation by ensuring a sound, competitive and accessible banking and financial services environment.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Division of Banks	18,693	0	18,693	25,953

<http://www.mass.gov/dob>

**Budgetary Direct Appropriations** **16,043,421**

DIVISION OF BANKS

7006-0010	For the operation of the division of banks; provided, that notwithstanding any general or special law to the contrary, the division shall assess 100 per cent of	16,043,421
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the amount appropriated in this item, and the associated fringe benefits costs for personnel paid from this item, upon financial institutions which the division currently regulates under section 2 of chapter 167 of the General Laws

**Retained Revenue 2,650,000**

LOAN ORIGINATOR ADMINISTRATION AND CONSUMER COUNSELING PROGRAM

7006-0011      The division of banks may expend for the costs associated with the licensure of loan originators under chapter 255F of the General Laws an amount not to exceed \$2,650,000 from the revenue received from administrative fees associated with licensure fees and from civil administrative penalties under chapter 255F; provided, that funds in this item may be expended as competitive grants for the operation of a pilot program for best lending practices, first-time homeowner counseling for non-traditional loans and 10 or more foreclosure education centers under section 16 of chapter 206 of the acts of 2007; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment the amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 2,650,000

**Division of Insurance**

The mission of the Division of Insurance is to monitor the solvency of its licensees in order to promote a healthy, responsive and willing marketplace for consumers who purchase insurance products.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Division of Insurance	13,689	3,091	16,781	91,502

<http://www.mass.gov/doi>

**Budgetary Direct Appropriations 13,689,443**

DIVISION OF INSURANCE

7006-0020      For the operation of the division of insurance, including the expenses of the board of appeal on motor vehicle policies and bonds and the associated fringe benefits costs for personnel paid from this item and certain other costs of supervising motor vehicle liability insurance and the expenses of the fraudulent claims board; provided, that the positions of counsel I and counsel II shall not be subject to chapter 31 of the General Laws; provided further, that notwithstanding any general or special law to the contrary, 100 per cent of the amount appropriated in this item, and the associated fringe costs of personnel paid from this item, shall be assessed upon the institutions which the division currently regulates under general or special laws or regulations, except for licensed business entity producers; and provided further, that the assessment 12,589,443

shall be in addition to any and all assessments currently assessed upon the institutions

HEALTH CARE ACCESS BUREAU ASSESSMENT

7006-0029 For the operation of the health care access bureau of the division of insurance; provided, that under section 7A of chapter 26 of the General Laws, the full amount appropriated in this item, as well as the associated fringe benefits costs for personnel paid from this item, shall be assessed upon the carriers licensed under chapters 175, 176A, 176B, and 176G of the General Laws 1,100,000

**Federal Grant Spending 1,272,735**

HEALTH INSURANCE RATE REVIEW

7006-6001 For the purposes of a federally funded grant entitled, Health Insurance Rate Review 1,272,735

**Trust Spending 1,818,691**

ALLOCATION OF AIB FUNDS TRUST

7006-0009 310,288

MEDICAL MALPRACTICE ANALYSIS BUREAU

9222-7500 404,950

WORKERS' COMPENSATION RATING BUREAU TRUST FUND

9222-7650 828,664

STATE RATING BUREAU MEDICAL MALPRACTICE INSURANCE TRUST

9222-7900 274,789

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**Division of Professional Licensure**

The mission of the Division of Professional Licensure is to protect the public's health, safety and welfare by licensing qualified individuals who provide services to consumers and by the fair and consistent enforcement of statutes and regulations of its 31 boards of registration and occupational schools.

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Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Division of Professional Licensure	3,326	9,805	13,131	16,155

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<http://www.mass.gov/dpl>

**Budgetary Direct Appropriations** **2,666,201**

DIVISION OF PROFESSIONAL LICENSURE

7006-0040	For the operation and administration of the division of professional licensure; provided, that the division shall at all times employ not less than 2 hearing officers to facilitate the processing of cases pending before the various boards	2,666,201
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**Retained Revenue** **660,000**

OCCUPATIONAL SCHOOLS OVERSIGHT

7006-0151	For the division of professional licensure which may expend for the oversight of occupational schools an amount not to exceed \$660,000; provided, that revenues in excess of the appropriation that total not more than 25 per cent of total revenues for the fiscal year shall not revert to the General Fund but shall be available for expenditure in the subsequent fiscal year without further appropriation; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of revenues and related expenditures, the division may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	660,000
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**Trust Spending** **9,804,662**

DIVISION OF PROFESSIONAL LICENSURE 50/50 TRUST

7006-0056		9,804,662
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**Division of Standards**

The primary mission of the Division of Standards is to provide uniformity in the marketplace by enforcing standard accuracy requirements for devices used in the weighing or measuring of any item sold by weight, measure or count.

	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Division of Standards	2,015	0	2,015	3,138

<http://www.mass.gov/standards>

**Budgetary Direct Appropriations** **959,228**

## FY2014 Governor's Budget Recommendation

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### DIVISION OF STANDARDS

7006-0060 For the operation of the division of standards 798,857

### ITEM PRICING INSPECTIONS

7006-0066 For the support of the division of standards' municipal inspection efforts; provided, that up to 15 per cent of this appropriation may be expended for administrative costs of the division 160,372

### **Retained Revenue**

**1,055,751**

### ITEM PRICING INSPECTIONS RETAINED REVENUE

7006-0065 The division of standards may retain not more than \$655,000 in revenue from registration fees and fines that it collects under sections 184B to 184E, inclusive, of chapter 94, and sections 56D and 56E of chapter 98, of the General Laws to support its enforcement activities as provided in subsection (h) of section 184D of said chapter 94; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment the amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system; and provided further, that notwithstanding said subsection (h), the division shall not fund the municipal grant program provided in said subsection (h) 655,000

### WEIGHTS AND MEASURES LAW ENFORCEMENT FEE RETAINED REVENUE

7006-0067 The division of standards may expend for enforcement of weights and measures laws an amount not to exceed \$58,751 from revenues received from item pricing violations collected through municipal inspection efforts and from weights and measures fees and fines collected from cities and towns 58,751

### MOTOR VEHICLE REPAIR SHOP LICENSING FEE RETAINED REVENUE

7006-0068 The division of standards may expend an amount not to exceed \$342,000 from license fees collected from owners of motor vehicle repair shops 342,000

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### **Massachusetts Marketing Partnership**

The Massachusetts Marketing Partnership (MMP) is comprised of the Massachusetts Office of Travel and Tourism and the Massachusetts International Trade Office. The Office of Travel and Tourism promotes Massachusetts as a friendly, family-oriented leisure travel destination set in the midst of rich historical and cultural tradition and administers financial assistance to Local Tourist Councils. The International Trade Office focuses on expanding the Massachusetts economy by marketing the state's business internationally, through focused export promotion, attracting foreign companies to invest in Massachusetts and handling protocol as it relates to trade and investment.

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Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Massachusetts Marketing Partnership	16,062	1,007	17,069	0

**Budgetary Direct Appropriations** **16,062,149**

MASSACHUSETTS OFFICE OF TRAVEL AND TOURISM

7008-0900 For the operation and administration of the office of travel and tourism; provided, that the office shall be the official and lead agency to facilitate and attract major sports events and championships in the commonwealth; provided further, that the office shall be the official and lead agency to facilitate motion picture production and development within the commonwealth; and provided further, that the office may expend funds from this item for high performing regional tourism councils in accordance with item 7008-1000  
Massachusetts Tourism Fund ... 100% 13,376,315

LOCAL TOURIST COUNCILS FINANCIAL ASSISTANCE

7008-1000 For assistance to regional tourist councils under section 14 of chapter 23A of the General Laws; provided, that notwithstanding any general or special law or rule or regulation to the contrary, each of the councils may expend an amount not to exceed 20 per cent of the funds appropriated in this item for the cost of administrative services  
Massachusetts Tourism Fund ... 100% 2,000,000

MASSACHUSETTS INTERNATIONAL TRADE COUNCIL

7008-1300 For the operation of the Massachusetts International Trade Office  
Massachusetts Tourism Fund ... 100% 685,834

**Federal Grant Spending** **197,432**

STATE TRADE AND EXPORT PROMOTION JOBS

7008-9020 For the purposes of a federally funded grant entitled, State Trade and Export Promotion Jobs 197,432

**Trust Spending** **809,554**

ANNUAL GOVERNOR'S TOURISM CONFERENCE

7008-0501 30,600

MA MARKETING PARTNERSHIP INTERNATIONAL TRADE RELATED PROGRAM

7008-1050 36,950

DOMESTIC MARKETING EXPENDABLE TRUST

7008-9012 25,000

MASSACHUSETTS OFFICE OF TRAVEL AND TOURISM EXPENDABLE

7008-9018 184,482

MASSACHUSETTS INTERNATIONAL TRADE AND INVESTMENT EXPENDABLE

7008-9019 532,522

**Office of Consumer Affairs and Business Regulation**

The mission of the Massachusetts Office of Consumer Affairs and Business Regulation (OCABR) is to protect Massachusetts consumers through advocacy, education and ensuring fair and honest business practices among the companies and licensees within our regulatory jurisdiction.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Office of Consumer Affairs and Business Regulation	1,338	392	1,729	1,250

<http://www.mass.gov/oca>

**Budgetary Direct Appropriations 837,584**

OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION

7006-0000 For the operation of the office of consumer affairs and business regulation, including the expenses of an administrative services unit 837,584

**Retained Revenue 500,000**

HOME IMPROVEMENT CONTRACTORS RETAINED REVENUE

7006-0043 The office of consumer affairs may expend for the administration and enforcement of the home improvement contractor program an amount not to exceed \$500,000 from the revenue collected from fees for the registration and renewal of home improvement contractor registrations under section 11 of chapter 142A of the General Laws; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment the amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 500,000

**Trust Spending** **391,806**

GIFTS AND DONATIONS

9200-0140 161,806

RESIDENTIAL CONTRACTORS GUARANTY FUND

9200-0300 230,000

**Office of the Secretary of Housing and Economic Development**

The Executive Office of Housing and Economic Development (EOHED) coordinates policies and programs across the Massachusetts Office of Business Development, the Office of Consumer Affairs and Business Regulation and the Department of Housing and Community Development. The mission of EOHED and its agencies is to enhance the quality of life of Massachusetts residents by expanding affordable housing opportunities and stimulating job growth in all regions of the Commonwealth. EOHED strives to create a positive climate for both commercial and residential development, while at the same time promoting principles of smart growth. Additionally, EOHED seeks to protect consumers through a reasonable regulatory approach to critical business areas such as banking, insurance and telecommunications.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Office of the Secretary of Housing and Economic Development	68,855	10,068	78,923	0

<http://www.mass.gov/econ>

**Budgetary Direct Appropriations** **68,854,980**

EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

7002-0010 For the operation of the office of the secretary of housing and economic development including the operation of the Massachusetts permit regulatory office and the operation of the office of the wireless and broadband affairs director; provided, that agencies within the executive office may, with the prior approval of the secretary, streamline and improve administrative operations through interdepartmental service agreements 452,356

HOUSING AND ECONOMIC DEVELOPMENT IT COSTS

7002-0017 For the provision of information technology services within the executive office of housing and economic development 3,052,624

WORKFORCE DEVELOPMENT GRANT

7002-0020 For a precision manufacturing pilot program that provides training to unemployed and underemployed individuals, including veterans; provided, that the program shall be administered by the executive office of housing and economic development 2,000,000  
Manufacturing Fund ... 100%

LOCAL CAPITAL PROJECTS PROGRAM

7002-0021	For the massworks infrastructure program; provided that eligible projects can begin construction on the public infrastructure elements by September 1, 2013, and have applied in a previous massworks infrastructure program application round, and there is a high probability that the public investment in infrastructure will leverage private investment by a ratio of at least 3:1; and provided further, that this item shall remain in effect until December 31, 2015 Local Capital Projects Fund ... 100%	19,250,000
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ADVANCED MANUFACTURING FUTURES PROGRAM

7002-0022	For the operation of the advanced manufacturing futures program as established by section 12 of chapter 238 of the acts of 2012; provided, that the comptroller shall transfer 50 per cent of funds appropriated to the Massachusetts development finance agency for the support of the advanced manufacturing futures program within 30 days of the agency's request and shall transfer the remaining 50 per cent of funds upon receipt of revenue Manufacturing Fund ... 100%	18,750,000
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MASSACHUSETTS LIFE SCIENCES CENTER

7002-0024	For a transfer to the Massachusetts Life Sciences Investment Fund established by section 6 of chapter 23I of the General Laws	25,000,000
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MILITARY BASE PROMOTION

7002-0035	For a reserve to support the commonwealth's defense sector initiatives; provided, that the executive office may allocate funds to Massachusetts development and finance agency for this purpose	350,000
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<b><i>Intragovernmental Service Fund</i></b>		<b>2,480,046</b>
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CHARGEBACK FOR HOUSING AND ECONOMIC DEVELOPMENT IT COSTS

7002-0018	For the cost of information technology services provided to agencies of the executive office of housing and economic development Intragovernmental Service Fund ... 100%	2,480,046
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<b><i>Trust Spending</i></b>		<b>7,588,030</b>
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STATE SMALL BUSINESS CREDIT INITIATIVE

7002-9304		1,090,266
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HOUSING AND ECONOMIC DEVELOPMENT EXPENDABLE TRUST

7004-9303		6,497,764
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Independents

Fiscal Year 2014 Resource Summary (\$000)

Department	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Barnstable Sheriffs Department	24,723	977	25,699	325
Berkshire District Attorney	3,983	96	4,078	0
Berkshire Sheriffs Department	16,400	0	16,400	790
Board of Library Commissioners	21,834	60	21,894	2
Bristol District Attorney	8,217	497	8,714	0
Bristol Sheriffs Department	40,071	0	40,071	9,011
Cape and Islands District Attorney	4,148	85	4,232	0
Center for Health Information and Analysis	28,800	0	28,800	28,850
Commission on the Status of Women	71	0	71	0
Disabled Persons Protection Commission	2,340	0	2,340	0
District Attorneys Association	3,006	29	3,035	0
Dukes Sheriffs Department	2,696	0	2,696	0
Eastern District Attorney	9,468	463	9,932	0
Essex Sheriffs Department	49,133	332	49,465	2,225
Executive Office	5,652	0	5,652	0
Franklin Sheriffs Department	12,665	0	12,665	2,498
Hampden District Attorney	8,873	233	9,106	0
Hampden Sheriffs Department	71,690	13	71,703	3,250
Hampshire Sheriffs Department	13,242	0	13,242	456
Massachusetts Commission Against Discrimination	4,827	0	4,827	2,334
Massachusetts Cultural Council	9,592	1,148	10,739	2
Massachusetts Gaming Commission	0	1,535	1,535	0
Massachusetts Sheriffs Association	352	0	352	0
Middle District Attorney	10,089	132	10,221	0
Middlesex Sheriffs Department	64,865	131	64,996	1,099
Nantucket Sheriffs Department	755	0	755	0
Norfolk District Attorney	9,167	463	9,630	0
Norfolk Sheriffs Department	30,533	188	30,722	2,500
Northern District Attorney	15,115	177	15,292	0
Northwestern District Attorney	5,612	110	5,722	0
Office of Campaign and Political Finance	1,308	0	1,308	73
Office of the Attorney General	42,212	4,362	46,574	52,134
Office of the Inspector General	2,907	0	2,907	600
Office of the State Auditor	18,149	182	18,331	0
Office of the State Comptroller	14,544	50,850	65,394	45,682
Office of the Treasurer and Receiver-General	2,249,742	732,466	2,982,208	89,955
Plymouth District Attorney	8,017	616	8,633	0
Plymouth Sheriffs Department	50,111	77	50,189	16,000
Secretary of the Commonwealth	37,032	6,074	43,106	224,374
State Ethics Commission	1,922	0	1,922	50
State Lottery Commission	90,893	0	90,893	155
Suffolk District Attorney	17,466	722	18,188	0
Suffolk Sheriffs Department	103,594	0	103,594	8,000
Victim and Witness Assistance Board	1,248	8,517	9,765	0
Water Pollution Abatement	0	2,995	2,995	0
Worcester Sheriffs Department	41,485	0	41,485	167
<b>TOTAL</b>	<b>3,158,547</b>	<b>813,529</b>	<b>3,972,076</b>	<b>490,532</b>

**Historical Employment Levels**

Department	June FY2010	June FY2011	June FY2012	Approved FY2013	Projected FY2014
Barnstable Sheriffs Department	307	319	325	322	322
Berkshire District Attorney	51	46	50	51	52
Berkshire Sheriffs Department	211	196	191	199	199
Board of Library Commissioners	10	10	10	10	11
Bristol District Attorney	119	111	111	120	120
Bristol Sheriffs Department	516	521	523	524	524
Cape and Islands District Attorney	53	54	54	55	55
Center for Health Information and Analysis	80	84	81	135	146
Commission on the Status of Women	1	1	1	1	1
Disabled Persons Protection Commission	29	28	28	27	27
District Attorneys Association	10	10	10	9	9
Dukes Sheriffs Department	44	43	44	45	45
Eastern District Attorney	150	149	155	157	157
Essex Sheriffs Department	564	514	493	500	500
Executive Office	69	76	69	74	74
Franklin Sheriffs Department	160	154	166	165	165
Hampden District Attorney	121	120	119	124	124
Hampden Sheriffs Department	886	864	845	846	846
Hampshire Sheriffs Department	167	164	158	163	163
Massachusetts Commission Against Discrimination	61	65	65	66	66
Massachusetts Cultural Council	25	25	25	25	25
Massachusetts Sheriffs Association	3	3	3	3	3
Middle District Attorney	144	152	156	151	151
Middlesex Sheriffs Department	662	643	660	655	655
Nantucket Sheriffs Department	3	3	3	3	3
Norfolk District Attorney	122	116	119	123	123
Norfolk Sheriffs Department	288	307	293	301	301
Northern District Attorney	203	214	231	246	246
Northwestern District Attorney	66	71	72	75	75
Office of Campaign and Political Finance	15	14	17	17	17
Office of the Attorney General	490	469	475	486	486
Office of the Inspector General	34	33	38	36	36
Office of the State Auditor	270	214	226	236	236
Office of the State Comptroller	92	85	80	86	86
Office of the Treasurer and Receiver-General	125	118	125	137	137
Plymouth District Attorney	117	112	124	130	130
Plymouth Sheriffs Department	524	545	539	545	545
Secretary of the Commonwealth	548	516	511	520	520
State Ethics Commission	21	22	23	24	24
State Lottery Commission	410	403	405	412	412
Suffolk District Attorney	248	232	248	260	260
Suffolk Sheriffs Department	1,027	1,022	987	975	975
Victim and Witness Assistance Board	8	8	7	9	9
Worcester Sheriffs Department	521	540	504	510	510
<b>TOTAL</b>	<b>9,576</b>	<b>9,398</b>	<b>9,373</b>	<b>9,562</b>	<b>9,574</b>

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2014 FTE figures are preliminary and may not represent actual levels.

**Office of the Attorney General**

The Attorney General is the chief lawyer and law enforcement officer of the Commonwealth of Massachusetts. The Office represents the Commonwealth in many matters in which it is a party. In addition, the Attorney General is a resource to residents who are facing challenges in the area of consumer protection, fraud, civil rights violations, health care and insurance issues. The main office of the Attorney General is located in Boston. Regional offices are fully staffed and located in Western, Central and Southeastern Massachusetts, allowing residents more convenient access to services in their area.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Office of the Attorney General	42,212	4,362	46,574	52,134

<http://www.mass.gov/ago/>

<b>Budgetary Direct Appropriations</b>	<b>40,211,739</b>
<b>OFFICE OF THE ATTORNEY GENERAL ADMINISTRATION</b>	
0810-0000 For the operation of the office of the attorney general	22,028,643
<b>COMPENSATION TO VICTIMS OF VIOLENT CRIMES</b>	
0810-0004 For compensation to victims of violent crimes; provided, that notwithstanding chapter 258C of the General Laws, if a claimant is 60 years of age or older at the time of the crime and is not employed or receiving unemployment compensation, such claimant shall be eligible for compensation in accordance with said chapter 258C even if the claimant has suffered no out-of-pocket loss; provided further, that compensation to such claimant shall be limited to a maximum of \$50; and provided further, that notwithstanding any general or special law to the contrary, victims of the crime of rape shall be notified of all available services designed to assist rape victims including, but not limited to, the provisions outlined in section 5 of chapter 258B of the General Laws	2,166,457
<b>PUBLIC UTILITIES PROCEEDINGS UNIT</b>	
0810-0014 For the operation of the public utilities proceedings unit; provided, that notwithstanding any general or special law to the contrary, the amount assessed under section 11E of chapter 12 of the General Laws shall equal the amount expended from this item	2,337,003
<b>MEDICAID FRAUD CONTROL UNIT</b>	
0810-0021 For the operation of the Medicaid fraud control unit; provided, that expenditures from this item shall be federally reimbursable	4,033,878
<b>WAGE ENFORCEMENT PROGRAM</b>	
0810-0045 For the operation of the wage enforcement program	3,576,935
<b>LITIGATION AND ENHANCED RECOVERIES</b>	
0810-0061 For the purpose of funding existing and future litigation devoted to obtaining significant recoveries for the commonwealth	3,000,000

## FY2014 Governor's Budget Recommendation

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### STATE POLICE OVERTIME FOR AG

0810-0098	For the costs associated with police overtime for the office of the attorney general	411,519
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### INSURANCE PROCEEDINGS UNIT

0810-0201	For the costs incurred in administrative and judicial proceedings on insurance; provided, that notwithstanding any general or special law to the contrary, the amount assessed for these costs shall be equal to the amount expended from this item; and provided further, that funds appropriated in this item may be expended for the purposes of items 0810-0338 and 0810-0399	1,487,019
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### AUTOMOBILE INSURANCE FRAUD INVESTIGATION AND PROSECUTION

0810-0338	For the costs of the automobile insurance fraud investigation and prosecution program; provided, that notwithstanding any general or special law to the contrary, the amount assessed for these costs shall be equal to the amount expended from this item	431,089
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### WORKERS' COMPENSATION FRAUD INVESTIGATION AND PROSECUTION

0810-0399	For the costs of investigating and prosecuting workers' compensation fraud; provided, that notwithstanding any general or special law to the contrary, the amount assessed for these costs shall be equal to the amount expended from this item; and provided further, that the attorney general shall investigate and prosecute, where appropriate, employers who fail to provide workers' compensation insurance in accordance with the laws of the commonwealth	281,612
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### GAMING ENFORCEMENT DIVISION

0810-1204	For the costs of the gaming enforcement division as required by section 9 of chapter 194 of the acts of 2011	457,582
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<b><i>Federal Grant Spending</i></b>		<b>1,660,000</b>
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### HUD SPECIAL PROJECT

0810-0009	For the purposes of a federally funded grant entitled, HUD Special Project	160,000
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### CRIME VICTIM COMPENSATION - FEDERAL

0810-0026	For the purposes of a federally funded grant entitled, Crime Victim Compensation - Federal	1,500,000
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<b><i>Retained Revenue</i></b>		<b>2,000,000</b>
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### FALSE CLAIMS RECOVERY RETAINED REVENUE

0810-0013	For the office of the attorney general which may expend for a false claims program an amount not to exceed \$2,000,000 from revenues collected from enforcement of the false claims law; provided, that notwithstanding any	2,000,000
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general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system

<b>Trust Spending</b>	<b>2,702,240</b>
LOCAL CONSUMER AID REIMBURSEMENT	
0810-0033	420,878
STATE DRUG FORFEITURE FUNDS	
0810-0414	11,149
ATTORNEY GENERAL CONFERENCES	
0810-0416	2,815
NATIONAL ASSOCIATION OF ATTORNEYS GENERAL	
0810-0417	18,060
FEDERAL DRUG FORFEITURE FUNDS	
0810-0444	13,790
STEWARD HEALTH CARE SYSTEM IMPACT STUDY TRUST	
0810-7101	8,681
CONSUMER AND COMMUNITY RELIEF TRUST	
0810-7105	2,225,591
CENTRAL ARTERY/TUNNEL COST RECOVERY PROJECT	
0810-7200	1,276

***Victim and Witness Assistance Board***

The Massachusetts Office for Victim Assistance (MOVA) is an independent state agency devoted to upholding and advancing the rights of crime victims. Established by law in 1984, the activities of MOVA are governed by the Victim and Witness Assistance Board, whose chair is the Attorney General and whose members include two District Attorneys and two crime victims/survivors. MOVA strives to provide innovative victim advocacy through outreach and education, policy and program development, direct service, legislative advocacy and grants management. The agency's commitment lies in serving all victims while ensuring access and equity of rights and services to underserved communities. By bridging public, private and community organizations, MOVA works to serve crime victims, their families and witnesses to violence while promoting healing and justice.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Victim and Witness Assistance Board	1,248	8,517	9,765	0

<http://www.mass.gov/mova>

***Budgetary Direct Appropriations*** **1,248,237**

VICTIM AND WITNESS ASSISTANCE BOARD

0840-0100 For the operation of the victim and witness assistance board 499,774

DOMESTIC VIOLENCE COURT ADVOCACY PROGRAM

0840-0101 For the operation of the safety assistance for every person leaving abuse now advocacy program 748,463

***Federal Grant Spending*** **8,474,959**

OFFICE OF VICTIMS OF CRIMES - VICTIM ASSISTANCE FORMULA

0840-0110 For the purposes of a federally funded grant entitled, Office of Victims of Crimes - Victim Assistance Formula 8,474,959

***Trust Spending*** **41,586**

VICTIMS OF DRUNK DRIVING

0610-3765 26,586

VICTIM WITNESS ASSISTANCE BOARD REIMBURSEMENT TRUST

0840-0115 15,000

**Board of Library Commissioners**

The Massachusetts Board of Library Commissioners is the agency of state government with the statutory authority and responsibility to organize, develop, coordinate and improve library services throughout the Commonwealth. The Board also strives to provide every resident of the Commonwealth with full and equal access to library information resources regardless of geographic location, social or economic status, age, level of physical or intellectual ability or cultural background.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Board of Library Commissioners	21,834	60	21,894	2

<http://www.mass.gov/mblc>

**Budgetary Direct Appropriations 21,833,752**

BOARD OF LIBRARY COMMISSIONERS

7000-9101 For the operation of the board of library commissioners 1,018,754

REGIONAL LIBRARIES LOCAL AID

7000-9401 For state aid to regional public libraries; provided, that the board of library commissioners may provide quarterly advances of funds for purposes authorized by clauses (1) and (2) of section 19C of chapter 78 of the General Laws, as it considers proper, to regional public library systems throughout each fiscal year, in compliance with the office of the comptroller's regulations on state grants; provided further, that notwithstanding any general or special law to the contrary, in calculating the fiscal year 2014 distribution of funds appropriated in this item, the board of library commissioners shall employ population figures used to calculate the fiscal year 2013 distribution; provided further, that the board shall provide funds for the continued operation of a single regional library system to serve the different geographic regions of the commonwealth and requiring that physical locations be maintained in both eastern and western Massachusetts to serve the residents of those regions; and provided further, that notwithstanding any general or special law to the contrary, the library of the commonwealth shall receive not less than 35 and 9/10 cents for each resident of the commonwealth 9,231,475

TALKING BOOK PROGRAM WORCESTER

7000-9402 For the Talking Book Library Program at the Worcester public library 430,628

TALKING BOOK PROGRAM WATERTOWN

7000-9406 For the operation of a statewide Braille and Talking Book Program in Watertown, including the operation of the machine-lending agency 2,400,000

PUBLIC LIBRARIES LOCAL AID

7000-9501 For aid to public libraries; provided, that notwithstanding any general or special law to the contrary, no city or town shall receive any funds from this item in any fiscal year when the appropriation of the city or town for free public library services is below an amount equal to 102.5 per cent of the average of 6,823,657

the appropriations for free public library service for the 3 fiscal years immediately preceding; provided further, that notwithstanding any general or special law to the contrary, the board of library commissioners may grant waivers in excess of the waiver limit set forth in the second paragraph of section 19A of chapter 78 of the General Laws in fiscal year 2014 for a period of not more than 1 year; provided further, that notwithstanding any general or special law to the contrary, of the amount by which this item exceeds the amount appropriated in chapter 194 of the acts of 1998, funds shall be distributed under the guidelines of the municipal equalization grant program and under the guidelines for the library incentive grant program and under the guidelines for the nonresident circulation offset program; and provided further, that notwithstanding any general or special law to the contrary, any payment made to a city or town from this item shall be deposited with the treasurer of the city or town and held in a separate account and shall be expended by the public library of the city or town without further appropriation

LIBRARY TECHNOLOGY AND AUTOMATED RESOURCE - SHARING NETWORKS

7000-9506 For statewide library technology and resource-sharing programs 1,929,238

**Trust Spending 60,072**

BILL AND MELINDA GATES FOUNDATION TRUST

7000-9407 60,072

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**Office of Campaign and Political Finance**

The Office of Campaign and Political Finance (OCPF) is an independent state agency that administers Massachusetts General Laws Chapter 55, the campaign finance law, and Chapter 55C, the limited public financing program for statewide candidates. Established in 1973, OCPF is the depository for disclosure reports filed by candidates and committees.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Office of Campaign and Political Finance	1,308	0	1,308	73

<http://www.mass.gov/ocpf>

**Budgetary Direct Appropriations 1,308,036**

OFFICE OF CAMPAIGN AND POLITICAL FINANCE

0920-0300 For the operation of the office of campaign and political finance 1,308,036

**Massachusetts Commission Against Discrimination**

The Massachusetts Commission Against Discrimination's (MCAD) mission is to address issues of discrimination and ensure equality of opportunity by enforcing the Commonwealth's anti-discrimination laws in employment, housing, public accommodations, credit, lending and education.

The Commission works to eliminate discrimination and advance the civil rights of the people of the Commonwealth of Massachusetts through law enforcement (filing of complaints, investigations, mediations and conciliations, prosecution, adjudication and litigation) and outreach (training sessions, public education and testing programs).

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Massachusetts Commission Against Discrimination	4,827	0	4,827	2,334

<http://www.mass.gov/mcad>

**Budgetary Direct Appropriations 2,568,237**

MASSACHUSETTS COMMISSION AGAINST DISCRIMINATION

0940-0100	For the operation of the Massachusetts commission against discrimination; provided, that all positions except clerical shall be exempt from chapter 31 of the General Laws; provided further, that the commission shall pursue the highest allowable rate of federal reimbursement; and provided further, that the commission shall work with the office of access and opportunity and the office of diversity and equal opportunity to design and deliver training to executive branch staff	2,568,237
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**Retained Revenue 2,258,911**

FEES AND FEDERAL REIMBURSEMENT RETAINED REVENUE

0940-0101	The Massachusetts commission against discrimination may expend not more than \$2,118,911 from revenues from fees and federal reimbursements received in fiscal year 2014 and prior fiscal years for the purposes of the United States Department of Housing and Urban Development fair housing type 1 program and the equal opportunity resolution contract program; provided, that notwithstanding any general or special law to the contrary, for the purposes of accommodating discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	2,118,911
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DISCRIMINATION PREVENTION PROGRAM RETAINED REVENUE

0940-0102	The Massachusetts commission against discrimination may expend for the operation of the discrimination prevention certification program an amount not to exceed \$140,000 from revenues collected from fees charged for the training and certification of diversity trainers	140,000
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**Commission on the Status of Women**

The Commission on the Status of Women exists to provide a permanent, effective voice for women across Massachusetts. The purpose of the Commission is to advance women toward full equality in all areas of life and to promote rights and opportunities for all women.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Commission on the Status of Women	71	0	71	0

<http://www.mass.gov/women>

**Budgetary Direct Appropriations** **70,686**

COMMISSION ON THE STATUS OF WOMEN

0950-0000 For the operation of the commission on the status of women 70,686

**Disabled Persons Protection Commission**

The Disabled Persons Protection Commission is an independent state agency which exists to protect adults with disabilities from abusive acts and omissions of their caregivers through investigation, oversight, public awareness and prevention.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Disabled Persons Protection Commission	2,340	0	2,340	0

<http://www.mass.gov/dppc>

**Budgetary Direct Appropriations** **2,339,992**

DISABLED PERSONS PROTECTION COMMISSION

1107-2501 For the operation of the disabled persons protection commission 2,339,992

***Berkshire District Attorney***

The Berkshire District Attorney's Office is charged with the mission of prosecuting criminal offenses in Berkshire County in a fair and efficient manner. The office is required to provide staffing, equipment and services to the citizens of Berkshire County and the Commonwealth of Massachusetts to meet that objective.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Berkshire District Attorney	3,983	96	4,078	0

<http://www.mass.gov/berkshireda>

***Budgetary Direct Appropriations*** **3,982,575**

BERKSHIRE DISTRICT ATTORNEY

0340-1100 For the operation of the Berkshire district attorney's office 3,765,341

BERKSHIRE DA STATE POLICE OVERTIME

0340-1198 For the overtime costs of state police officers assigned to the Berkshire district attorney's office 217,234

***Trust Spending*** **95,705**

INSURANCE FRAUD PROSECUTION TRUST

0340-0123 1,487

STATE DRUG FORFEITURE FUNDS

0340-1114 38,244

FEDERAL DRUG FORFEITURE FUNDS

0340-1115 55,974

***Bristol District Attorney***

The Bristol District Attorney's Office has a proud tradition of protecting and serving the people of Bristol County through tough, fair prosecutions and proactive, progressive prevention and intervention programs. Their mission is to protect and serve the public, fight for victims and speak for those who otherwise would have no voice. It is a mission the office pursues with vigor, passion and diligence.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Bristol District Attorney	8,217	497	8,714	0

www.bristolda.com

***Budgetary Direct Appropriations*** **8,217,116**

BRISTOL DISTRICT ATTORNEY

0340-0900 For the operation of the Bristol district attorney's office 7,887,600

BRISTOL DA STATE POLICE OVERTIME

0340-0998 For the overtime costs of state police officers assigned to the Bristol district attorney's office 329,516

***Trust Spending*** **497,340**

STATE DRUG FORFEITURE FUNDS

0340-0914 473,600

FEDERAL DRUG FORFEITURE FUNDS

0340-0915 23,740

**Cape and Islands District Attorney**

The mission of the Cape and Islands District Attorney's Office is to investigate and prosecute criminal cases in the Juvenile Court, District Court, Superior Court, Appeals Court and Supreme Judicial Court on behalf of the Commonwealth and the people of Barnstable, Nantucket and Dukes Counties.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Cape and Islands District Attorney	4,148	85	4,232	0

<http://www.mass.gov/da/cape>

**Budgetary Direct Appropriations 4,147,528**

CAPE AND ISLANDS DISTRICT ATTORNEY		3,866,061
0340-1000	For the operation of the Cape and Islands district attorney's office	3,866,061
CAPE AND ISLANDS DA STATE POLICE		
0340-1098	For the overtime costs of state police officers assigned to the Cape and Islands district attorney's office	281,467

**Trust Spending 84,691**

STATE DRUG FORFEITURE FUNDS		
0340-1014		45,000
FEDERAL DRUG FORFEITURE FUNDS		
0340-1050		39,691

**District Attorneys Association**

The Massachusetts District Attorneys' Association (MDAA) is an independent state agency whose mission is to provide uniform technology services, training and policy development for the eleven elected district attorneys (DAs) and their collective staffs of approximately 1,700 attorneys, advocates and support staff.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
District Attorneys Association	3,006	29	3,035	0

<http://www.mass.gov/mdaa>

***Budgetary Direct Appropriations*** **3,006,272**

DISTRICT ATTORNEYS ASSOCIATION

0340-2100 For the operation of the Massachusetts district attorneys' association 1,676,274

DISTRICT ATTORNEYS WIDE AREA NETWORK

0340-8908 For the costs associated with maintaining the Massachusetts district attorneys' association's wide area network 1,329,998

***Trust Spending*** **28,552**

DISTRICT ATTORNEYS DUES

0340-2105 28,552

***Eastern District Attorney***

The Eastern District Attorney's Office represents the Commonwealth in criminal prosecutions that arise within its district, which is co-extensive with the former Essex County. In addition, the office provides victim and witness services related to these criminal cases. Finally, within its district, the office has enforcement power under the Open Meeting Law to seek forfeiture of assets related to controlled substance cases and has the right to appear in certain nuisance actions.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Eastern District Attorney	9,468	463	9,932	0

<http://www.mass.gov/essexda>

***Budgetary Direct Appropriations*** **9,468,430**

EASTERN (ESSEX) DISTRICT ATTORNEY

0340-0300 For the operation of the Eastern district attorney's office 8,959,137

EASTERN DA STATE POLICE OT

0340-0398 For the overtime costs of state police officers assigned to the Eastern district attorney's office 509,293

***Trust Spending*** **463,100**

CONFERENCE REGISTRATION FEES

0340-0312		8,000
FEDERAL DRUG FORFEITURE FUNDS		
0340-0313		375,000
STATE DRUG FORFEITURE FUNDS		
0340-0314		80,100

***Hampden District Attorney***

The District Attorney is elected by the citizens of Hampden County to represent them in the prosecution of criminal cases and on a broad spectrum of societal interests. The mission of the District Attorney is to seek justice, to promote public safety and to increase public trust in the criminal justice system.

	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Resource Summary (\$000)				
Hampden District Attorney	8,873	233	9,106	0

[www.mass.gov/mdaa](http://www.mass.gov/mdaa)

***Budgetary Direct Appropriations*** **8,873,459**

HAMPDEN DISTRICT ATTORNEY		
0340-0500	For the operation of the Hampden district attorney's office	8,530,229
HAMPDEN DISTRICT ATTORNEY STATE POLICE OVERTIME		
0340-0598	For the overtime costs of state police officers assigned to the Hampden district attorney's office	343,230

***Trust Spending*** **232,699**

STATE DRUG FORFEITURE FUNDS		
0340-0514		220,007
INSURANCE FRAUD PROSECUTION		
0340-0545		12,692

**Middle District Attorney**

The principal mission of the Office of the District Attorney is the just administration of the criminal laws of the Commonwealth.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Middle District Attorney	10,089	132	10,221	0

<http://www.worcesterda.com>

**Budgetary Direct Appropriations** **10,088,670**

MIDDLE (WORCESTER) DISTRICT ATTORNEY

0340-0400 For the operation of the Middle district attorney's office 9,671,119

WORCESTER DISTRICT ATTORNEY STATE POLICE OVERTIME

0340-0498 For the overtime costs of state police officers assigned to the Middle district attorney's office 417,551

**Federal Grant Spending** **7,833**

CHILD SEXUAL PREDATOR PROGRAM

0340-0465 For the purposes of a federally funded grant entitled, Child Sexual Predator Program 7,833

**Trust Spending** **124,265**

STATE DRUG FORFEITURE FUNDS

0340-0414 64,103

FEDERAL ASSET FORFEITURE

0340-0418 60,162

**Norfolk District Attorney**

The mission of the Norfolk District Attorney's Office is to seek justice through the fair and ethical prosecution of criminal cases, to work with victims and their families to ensure a voice to those who otherwise might not have one, and to create a safer community through positive partnerships with law enforcement and community members.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Norfolk District Attorney	9,167	463	9,630	0

<http://www.mass.gov/da/norfolk>

**Budgetary Direct Appropriations 9,166,896**

NORFOLK DISTRICT ATTORNEY		
0340-0700	For the operation of the Norfolk district attorney's office	8,735,402
NORFOLK DA STATE POLICE OT		
0340-0798	For the overtime costs of state police officers assigned to the Norfolk district attorney's office	431,494

**Trust Spending 462,630**

CRIMINAL PROSECUTION EDUCATION		
0340-0709		18,630
STATE DRUG FORFEITURE FUNDS		
0340-0714		350,000
FEDERAL DRUG FORFEITURE FUNDS		
0340-0715		55,000
NFK INSURANCE FRAUD TRUST		
0340-0716		39,000

**Northern District Attorney**

The Middlesex (Northern) District Attorney's Office is a diverse team of dedicated, hard-working, professional prosecutors who are also progressive-minded public servants. The Office has a proud tradition of protecting and serving the people of Middlesex County through tough, fair prosecutions and proactive, progressive prevention and intervention efforts. The true essence of what we do is to protect and serve the public, fight for victims and speak for those who otherwise would have no voice. It is a mission pursued with focus, with passion and with the utmost dedication.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Northern District Attorney	15,115	177	15,292	0

<http://www.middlesexda.com>

**Budgetary Direct Appropriations** **15,115,161**

NORTHERN (MIDDLESEX) DISTRICT ATTORNEY

0340-0200 For the operation of the Northern district attorney's office 14,593,614

MIDDLESEX DISTRICT ATTORNEY STATE POLICE OVERTIME

0340-0298 For the overtime costs of state police officers assigned to the Northern district attorney's office 521,547

**Trust Spending** **176,915**

STATE DRUG FORFEITURE FUNDS

0340-0214 176,915

**Northwestern District Attorney**

The Office of the Northwestern District Attorney, in partnership with the communities we serve, is dedicated to the pursuit of truth, justice, and the protection of the public.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Northwestern District Attorney	5,612	110	5,722	0

<http://www.northwesterndistrictattorney.org/about.html>

**Budgetary Direct Appropriations** **5,611,611**

NORTHWESTERN DISTRICT ATTORNEY

0340-0600 For the operation of the Northwestern district attorney's office 5,314,479

NORTHWESTERN DISTRICT ATTORNEY STATE POLICE OVERTIME

0340-0698 For the overtime costs of state police officers assigned to the Northwestern district attorney's office 297,132

**Trust Spending 110,004**

STATE DRUG FORFEITURE FUNDS

0340-0614 66,194

FEDERAL DRUG FORFEITURE FUNDS

0340-0615 16,600

DISTRICT ATTORNEY INVESTIGATIONS TRAINING AND OUTREACH

0340-0676 27,210

**Plymouth District Attorney**

The mission of the Plymouth District Attorney's Office is to protect the citizens of our community with the efficient and fair prosecution of criminal acts that occur in the cities and towns of Plymouth County. Along with the prosecution of crime, we strive to provide critical services to the victims of those crimes and reduce criminal activity through intervention and prevention programs.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Plymouth District Attorney	8,017	616	8,633	0

[www.mass.gov/da/plymouth](http://www.mass.gov/da/plymouth)

**Budgetary Direct Appropriations 8,016,593**

PLYMOUTH DISTRICT ATTORNEY

0340-0800 For the operation of the Plymouth district attorney's office 7,582,538

PLYMOUTH DISTRICT ATTORNEY STATE POLICE OVERTIME

0340-0898 For the overtime costs of state police officers assigned to the Plymouth district attorney's office 434,055

**Federal Grant Spending** **180,000**

JUSTICE ASSISTANCE GRANT

0340-0827 For the purposes of a federally funded grant entitled, Justice Assistance Grant 80,000

BYRNE JUSTICE ASSISTANCE GRANT

0340-0828 For the purposes of a federally funded grant entitled, Byrne Justice Assistance Grant 100,000

**Trust Spending** **436,000**

STATE DRUG FORFEITURE FUNDS

0340-0814 345,000

FEDERAL DRUG FORFEITURE FUNDS

0340-0817 10,000

OPERATING UNDER THE INFLUENCE DETERRENT TRUST FUND

0340-0831 1,000

ANCILLARY RECEIVERSHIP TRUST

0340-0882 80,000

**Suffolk District Attorney**

The Suffolk District Attorney's Office is a diverse team of dedicated, hard-working, professional prosecutors who are also progressive-minded public servants. The Office has a proud tradition of protecting and serving the people of Suffolk County through tough, fair prosecutions and proactive, progressive prevention and intervention efforts. The true essence of what we do is to protect and serve the public, fight for victims and speak for those who otherwise would have no voice. It is a mission pursued with focus, with passion and with the utmost dedication.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Suffolk District Attorney	17,466	722	18,188	0

<http://www.mass.gov/da/suffolk>

**Budgetary Direct Appropriations** **17,466,224**

SUFFOLK DISTRICT ATTORNEY

0340-0100 For the operation of the Suffolk district attorney's office 17,108,449

SUFFOLK DISTRICT ATTORNEY STATE POLICE OVERTIME

0340-0198 For the overtime costs of state police officers assigned to the Suffolk district attorney's office 357,775

**Trust Spending 722,045**

STATE DRUG FORFEITURE FUNDS

0340-0114 636,347

FEDERAL DRUG FORFEITURE FUNDS

0340-0115 85,698

**State Ethics Commission**

The mission of the State Ethics Commission is to foster integrity in public service in state, county and local government, promote the public's trust and confidence in that service, and prevent conflicts between private interests and public duties. The State Ethics Commission strives to accomplish this mission by conducting ongoing educational programs, providing clear and timely advice and fairly and impartially interpreting and enforcing the conflict of interest and financial disclosure laws.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
State Ethics Commission	1,922	0	1,922	50

<http://www.mass.gov/ethics>

**Budgetary Direct Appropriations 1,921,788**

STATE ETHICS COMMISSION

0900-0100 For the operation of the state ethics commission 1,921,788

**Executive Office**

The mission of the Executive Office is to provide fiscally responsible and efficient management of the operations of the Executive Branch of state government. The Governor's Office develops and implements policies that best positions the Massachusetts economy for economic recovery, provides for the health and welfare of its residents, offers a world-class education to our children, protects against threats to public safety and the environment and ensures the fiscal stability of all 351 cities and towns of the Commonwealth. The Governor's Office coordinates the activities of all Executive Branch agencies through the cabinet secretaries and communicates to the General Court and the general public the aims, objectives and accomplishments of the Administration. The Office develops, oversees and guides key administration initiatives through to completion.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Executive Office	5,652	0	5,652	0

[www.mass.gov/gov](http://www.mass.gov/gov)

**Budgetary Direct Appropriations** **5,651,541**

OFFICE OF THE GOVERNOR

0411-1000 For the operation of the offices of the governor, the lieutenant governor and the governor's council; provided, that the amount appropriated in this item may be used at the discretion of the governor for the payment of extraordinary expenses not otherwise provided for and for transfer to appropriation accounts where the amounts otherwise available may be insufficient 5,347,441

OFFICE OF THE CHILD ADVOCATE

0411-1005 For the operation of the office of the child advocate 304,100

**Center for Health Information and Analysis**

The mission of the Center for Health Information and Analysis (CHIA) is to monitor the Massachusetts health care system and to provide reliable information and meaningful analysis for those seeking to improve health care quality, affordability, access, and outcomes.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Center for Health Information and Analysis	28,800	0	28,800	28,850

<http://www.mass.gov/chia>

**Budgetary Direct Appropriations** **24,800,000**

CENTER FOR HEALTH INFORMATION AND ANALYSIS

4100-0060 For the operation of the center for health information and analysis established in chapter 12C of the General Laws; provided that notwithstanding any general or special law to the contrary, the estimated expenses of the center shall be assessed in the manner prescribed by section 7 of said chapter 12C 24,800,000

**Retained Revenue 4,000,000**

ALL PAYER CLAIMS DATABASE RETAINED REVENUE

4100-0061 For the center for health information and analysis, which may expend for the development, operations and maintenance of an all payer claims database, an amount not to exceed \$4,000,000 from amounts paid to the center for any and all fees paid for health data information and from any federal financial participation associated with the collection and administration of health care claims data; provided, that notwithstanding any general or special law to the contrary, and for the purpose of accommodating discrepancies between the receipt of retained revenues and related expenditures, the center may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system; and provided further, that revenues in excess of the appropriation for the fiscal year shall not revert to the General Fund but shall be available for expenditure in the subsequent fiscal year without further appropriation 4,000,000

**Office of the Inspector General**

The mission of the Office of the Inspector General is to prevent and detect fraud, waste and abuse in the expenditure of public funds, as authorized under General Laws Chapter 12A.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Office of the Inspector General	2,907	0	2,907	600

<http://www.mass.gov/ig>

**Budgetary Direct Appropriations 2,307,496**

OFFICE OF THE INSPECTOR GENERAL

0910-0200 For the operation of the office of the inspector general 2,307,496

**Retained Revenue 600,000**

PUBLIC PURCHASING AND MANAGER PROGRAM FEES RETAINED REVENUE

0910-0210 The office of the inspector general may expend for the Massachusetts public purchasing official certification program and the certified public manager 600,000

program an amount not to exceed \$600,000 from fees charged to participants in those programs; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system

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**Massachusetts Gaming Commission**

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Massachusetts Gaming Commission	0	1,535	1,535	0

<b>Trust Spending</b>	<b>1,535,036</b>
RACING STABILIZATION TRUST FUND	
1050-0002	75,158
MASSACHUSETTS RACING DEVELOPMENT AND OVERSIGHT TRUST	
1050-0003	459,878
COMMUNITY MITIGATION TRUST	
1050-0015	1,000,000

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**Office of the State Comptroller**

The mission of the Office of the State Comptroller is to increase the efficiency of back office operations across state government, thereby enhancing its delivery of services while ensuring a high level of accountability throughout the Commonwealth's financial operations and providing taxpayers' assurance that tax dollars are spent for their intended purposes.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Office of the State Comptroller	14,544	50,850	65,394	45,682

**Budgetary Direct Appropriations** **14,543,692**

OFFICE OF THE STATE COMPTROLLER

1000-0001	For the operation of the state comptroller's office; provided, that notwithstanding any general or special law to the contrary, the comptroller may enter into contracts with private vendors to identify and pursue cost avoidance opportunities for programs of the commonwealth and may enter into interdepartmental service agreements with state agencies, as applicable, for that purpose; provided further, that payments to private vendors on account of these cost avoidance projects shall be made only from actual cost savings that have been certified in writing to the house and senate committees on ways and means by the comptroller and the budget director as attributable to these cost avoidance projects; provided further, that the comptroller may, in consultation with the budget director and the affected departments, establish procedures to accomplish the purpose of those contracts; and provided further, that the comptroller shall report on those projects as a part of the annual report under section 12 of chapter 7A of the General Laws	8,543,692
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JUDGMENTS SETTLEMENTS AND LEGAL FEES

1599-3384	For a reserve for the payment of certain court judgments, settlements and legal fees, in accordance with regulations adopted by the comptroller, which were ordered to be paid in the current or a prior fiscal year; provided, that amounts remaining at the end of fiscal year 2014 shall not revert and shall be made available for payments in fiscal year 2015	6,000,000
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**Intragovernmental Service Fund** **48,102,035**

CHARGEBACK FOR SINGLE STATE AUDIT

1000-0005	For the cost of the single state audit for the fiscal year ending June 30, 2014; provided, that the comptroller may charge other appropriations and federal grants for the cost of the audit Intragovernmental Service Fund ... 100%	1,000,000
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CHARGEBACK FOR MMARS

1000-0008	For the costs of operating and managing the MMARS accounting system for fiscal year 2014; provided, that any unspent balance at the close of fiscal year 2014 in an amount not to exceed 5 per cent of the amount authorized shall remain in the Intergovernmental Service Fund and is hereby re-authorized for expenditures for such item in fiscal year 2015 Intragovernmental Service Fund ... 100%	3,102,035
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CHARGEBACK FOR PRIOR-YEAR DEFICIENCIES

1599-2040	For the payment of prior-year deficiencies based upon schedules provided to the executive office for administration and finance and the house and senate committees on ways and means; provided, that notwithstanding any general or special law to the contrary, the comptroller may certify payments on behalf of departments for certain contracted goods or services rendered in prior fiscal years for which certain statutes, regulations or procedures were not properly followed; provided further, that the department which was a party to the transaction shall certify in writing that the services were performed or goods	10,000,000
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delivered and shall provide additional information that the comptroller may require; provided further, that the comptroller may charge departments' current fiscal year appropriations and transfer to this item amounts equivalent to the amounts of any prior-year deficiency, subject to the conditions stated in this item; provided further, that the comptroller shall assess a chargeback only to that current fiscal year appropriation which is for the same purpose as that to which the prior-year deficiency pertains, or if there is no appropriation for that purpose, to that current fiscal year appropriation which is most similar in purpose to the appropriation to which the prior-year deficiency pertains, or is for the general administration of the department that administered the appropriation to which the prior-year deficiency pertains; provided further, that no chargeback shall be made which would cause a deficiency in any current fiscal year appropriation; and provided further, that the comptroller shall include in the schedules the amount of each prior-year deficiency paid, the fiscal year and appropriation to which it pertained, the current fiscal year appropriation and object class to which it was charged, and the department's explanation for the failure to make payment in a timely manner  
 Intragovernmental Service Fund ... 100%

CHARGEBACK FOR UNEMPLOYMENT COMPENSATION

1599-3100	For the cost of the commonwealth's employer contributions to the Unemployment Compensation Fund and the Medical Security Trust Fund; provided, that the secretary of administration and finance shall authorize the collection, accounting and payment of these contributions; and provided further, that in executing these responsibilities the comptroller may charge, in addition to individual appropriation accounts, certain non-appropriated funds in amounts that are computed based on rates developed in accordance with OMB circular a-87, including expenses, interest expense and related charges Intragovernmental Service Fund ... 100%	34,000,000
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<b><i>Trust Spending</i></b>		<b>2,748,323</b>
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INTERCEPT FEE RETAINED REVENUE

1000-0006		2,041,422
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LIABILITY MANAGEMENT REDUCTION FUND

1000-3382		400,000
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MDOT TRANSITION

1000-6368		306,901
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***Secretary of the Commonwealth***

The Secretary of the Commonwealth is the principal public information officer for the state government of Massachusetts.

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Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Secretary of the Commonwealth	37,032	6,074	43,106	224,374

<http://www.mass.gov/sec>

**Budgetary Direct Appropriations** **37,017,228**

SECRETARY OF THE COMMONWEALTH ADMINISTRATION

0511-0000 For the operation of the office of the secretary of the commonwealth 5,970,365

CORPORATE DISSOLUTION PROGRAM

0511-0002 For the operation of the corporations division; provided, that the division shall implement a corporate dissolution program which shall have a specific focus on limited liability corporations and limited liability partnerships that have failed in their statutory responsibility to file an annual report; and provided further, that the division shall file quarterly reports with the house and senate committees on ways and means and the executive office for administration and finance detailing the total number of annual reports filed as a result of this program and the amount of revenue generated for the commonwealth 250,545

STATE ARCHIVES

0511-0200 For the operation of the state archives division 359,333

STATE RECORDS CENTER

0511-0230 For the operation of the state records center 35,855

STATE ARCHIVES FACILITY

0511-0250 For the operation of the state archives facility 293,556

COMMONWEALTH MUSEUM

0511-0260 For the operation of the commonwealth museum 240,130

CENSUS DATA TECHNICAL ASSISTANCE

0511-0270 For the secretary of state, who may contract with the University of Massachusetts Donahue Institute to provide the commonwealth with technical assistance on United States census data and to prepare annual population estimates 396,000

ADDRESS CONFIDENTIALITY PROGRAM

0511-0420 For the operation of the address confidentiality program 128,948

PUBLIC DOCUMENT PRINTING

0517-0000 For the printing of public documents 594,000

## FY2014 Governor's Budget Recommendation

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### ELECTIONS DIVISION ADMINISTRATION

0521-0000 For the operation of the elections division 5,202,777

### CENTRAL VOTER REGISTRATION COMPUTER SYSTEM

0521-0001 For the operation of the central voter registration computer system 5,766,326

### INFORMATION TO VOTERS

0524-0000 For providing information to voters 563,729

### MASSACHUSETTS HISTORICAL COMMISSION

0526-0100 For the operation of the Massachusetts historical commission 792,000

### BALLOT LAW COMMISSION

0527-0100 For the operation of the ballot law commission 10,440

### RECORDS CONSERVATION BOARD

0528-0100 For the operation of the records conservation board 33,715

### ESSEX REGISTRY OF DEEDS-NORTHERN DISTRICT

0540-0900 For the operation of the registry of deeds located in Lawrence in the county of Essex 1,075,361

### ESSEX REGISTRY OF DEEDS-SOUTHERN DISTRICT

0540-1000 For the operation of the registry of deeds located in Salem in the county of Essex 2,786,927

### FRANKLIN REGISTRY OF DEEDS

0540-1100 For the operation of the registry of deeds in the county of Franklin 605,646

### HAMPDEN REGISTRY OF DEEDS

0540-1200 For the operation of the registry of deeds in the county of Hampden 1,702,330

### HAMPSHIRE REGISTRY OF DEEDS

0540-1300 For the operation of the registry of deeds in the county of Hampshire 476,043

### MIDDLESEX REGISTRY OF DEEDS-NORTHERN DISTRICT

0540-1400 For the operation of the registry of deeds located in Lowell in the county of Middlesex 1,159,810

### MIDDLESEX REGISTRY OF DEEDS-SOUTHERN DISTRICT

0540-1500 For the operation of the registry of deeds located in Cambridge in the county of Middlesex 3,012,966

BERKSHIRE REGISTRY OF DEEDS-NORTHERN DISTRICT

0540-1600	For the operation of the registry of deeds located in Adams in the county of Berkshire	262,958
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BERKSHIRE REGISTRY OF DEEDS-CENTRAL DISTRICT

0540-1700	For the operation of the registry of deeds located in Pittsfield in the county of Berkshire	427,431
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BERKSHIRE REGISTRY OF DEEDS-SOUTHERN DISTRICT

0540-1800	For the operation of the registry of deeds located in Great Barrington in the county of Berkshire	217,417
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SUFFOLK REGISTRY OF DEEDS

0540-1900	For the operation of the registry of deeds in the county of Suffolk	1,792,781
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WORCESTER REGISTRY OF DEEDS-NORTHERN DISTRICT

0540-2000	For the operation of the registry of deeds located in Fitchburg in the county of Worcester	677,175
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WORCESTER REGISTRY OF DEEDS-WORCESTER DISTRICT

0540-2100	For the operation of the registry of deeds located in Worcester in the county of Worcester	2,182,663
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<b>Federal Grant Spending</b>	<b>917,262</b>
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HISTORIC PRESERVATION SURVEY AND PLANNING

0526-0114	For the purposes of a federally funded grant entitled, Historic Preservation Survey and Planning	917,262
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<b>Intragovernmental Service Fund</b>	<b>116,000</b>
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CHARGEBACK FOR PUBLICATIONS AND COMPUTER LIBRARY SERVICES

0511-0003	For the costs of providing electronic and other publications purchased from the state bookstore, for commission fees, notary fees and for direct access to the secretary's computer library Intragovernmental Service Fund ... 100%	16,000
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CHARGEBACK FOR STATE RECORDS CENTER SERVICES

0511-0235	For the costs of destroying the obsolete records of state agencies Intragovernmental Service Fund ... 100%	100,000
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**Retained Revenue** **14,850**

STATE HOUSE GIFT SHOP RETAINED REVENUE

0511-0001     The secretary of the commonwealth may expend for the purpose of replenishing and restocking inventory at the Massachusetts state house gift shop an amount not to exceed \$14,850 from the sale of gift shop merchandise; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 14,850

**Trust Spending** **5,041,124**

REGISTRAR'S TECHNOLOGICAL FUND

0526-6601 5,041,124

**Barnstable Sheriffs Department**

The mission of the Barnstable County Sheriff's Department is to improve the quality of life on Cape Cod by protecting the public from criminal offenders through operating a safe, secure and rehabilitative correctional facility; and assisting municipal governments and local agencies through specialized public safety services.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Barnstable Sheriffs Department	24,723	977	25,699	325

<http://www.bsheriff.net/>

**Budgetary Direct Appropriations** **24,472,789**

BARNSTABLE SHERIFF'S DEPARTMENT

8910-8200     For the operation of the Barnstable sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2013; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriffs' association in consultation with the executive office for administration and finance, fiscal year 2013 total costs per inmate by facility and security level no later than October 1, 2013; and provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' 24,472,789

association and the department of correction

**Federal Grant Spending 145,000**

SECOND CHANCE ACT - SHERIFF DEPARTMENT BARNSTABLE

8910-8217 For the purposes of a federally funded grant entitled, Second Chance Act - Sheriff Department Barnstable 145,000

**Retained Revenue 250,000**

BARNSTABLE SHERIFF FEDERAL REIMBURSEMENT RETAINED REVENUE

8910-8210 The Barnstable sheriff's department may expend for the operation of the department an amount not to exceed \$250,000 from federal inmate reimbursements; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 250,000

**Trust Spending 831,654**

COMMUNICATIONS FUND - BARNSTABLE COUNTY SHERIFF'S OFFICE

8910-8211 404,000

POLICE DETAIL FUND - BARNSTABLE COUNTY SHERIFF'S OFFICE

8910-8212 160,000

SOCIAL SECURITY ADMIN - BARNSTABLE COUNTY SHERIFF'S OFFICE

8910-8214 47,654

STATE DRUG FORFEITURE - BARNSTABLE COUNTY SHERIFF'S OFFICE

8910-8215 10,000

FEDERAL DRUG FORFEITURE BARNSTABLE COUNTY SHERIFF'S OFFICE

8910-8216 10,000

BARNSTABLE COUNTY SHERIFF'S OFFICE FEDERAL DETENTION FUND ET

8910-8222 200,000

***Berkshire Sheriffs Department***

The primary mission of the Berkshire County Sheriff's Department is to protect the public from criminal offenders by operating a safe, secure and progressive correctional facility while committing to crime prevention awareness in the community. We accomplish our mission by maintaining a safe, secure direct supervision correctional facility while upholding all national standards, laws and judicial decisions; exploring innovative and cost effective community correction alternatives to incarceration that ensures the efficiency of the Berkshire County Sheriff's Department; pursuing the fair and equitable treatment of inmates while respecting the rights and dignity of all persons; creating a just and fair environment that encourages positive behavior from criminal offenders; and seeking the highest level of professionalism, through support, motivation and training for all employees with accountability to the public we serve.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Berkshire Sheriffs Department	16,400	0	16,400	790

www.bcsoma.org

***Budgetary Direct Appropriations*** **15,650,082**

BERKSHIRE SHERIFF'S DEPARTMENT

8910-0145	For the operation of the Berkshire sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2013; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriffs' association in consultation with the executive office for administration and finance, fiscal year 2013 total costs per inmate by facility and security level no later than October 1, 2013; and provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association and the department of correction	15,650,082
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***Retained Revenue*** **750,000**

DISPATCH CENTER RETAINED REVENUE

8910-0445	For the Berkshire sheriff's department, which may expend for the operation of the department an amount not to exceed \$250,000 from revenues generated from the operation of the Berkshire county communication center's 911 dispatch operations and other law enforcement related activities; provided, that all expenditures from this item shall be subject to chapter 29 of the General Laws and recorded on the Massachusetts management accounting and reporting system	250,000
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PITTSFIELD SCHOOLS RETAINED REVENUE

8910-0446	For the Berkshire sheriff's department, which may expend an amount not to	500,000
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exceed \$500,000 from revenues collected from the city of Pittsfield public school system; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the sheriff's office may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system; and provided further, that expenditures from this item shall be subject to chapter 29 of the General Laws and recorded on the Massachusetts management accounting and reporting system

***Bristol Sheriffs Department***

The Bristol Sheriff's Department is an organization of public safety professionals responsible for custodial care and rehabilitation of inmates. The Sheriff's Department works in partnership with law enforcement agencies, government entities and community groups, lending resources to train, educate and respond to the safety concerns of our communities.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Bristol Sheriffs Department	40,071	0	40,071	9,011

www.bcsso-ma.us

***Budgetary Direct Appropriations*** **31,059,463**

BRISTOL SHERIFF DEPARTMENT

8910-8300	For the operation of the Bristol sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2013; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriffs' association in consultation with the executive office for administration and finance, fiscal year 2013 total costs per inmate by facility and security level no later than October 1, 2013; and provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association and the department of correction	31,059,463
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***Retained Revenue*** **9,011,360**

BRISTOL SHERIFF DEPARTMENT FEDERAL INMATE

8910-8310	For the Bristol sheriff's department, which may expend for the operation of the department an amount not to exceed \$9,011,360 from federal inmate reimbursements; provided, that notwithstanding any general or special law to	9,011,360
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the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate as reported in the state accounting system

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***Dukes Sheriffs Department***

The mission of the Dukes Sheriff's Department is to operate a safe, secure, rehabilitative correctional facility and a regionalized E911 communication center. The Sherriff's Department works with local and state agencies through specialized services. The professional men and women of the Dukes County Sheriff's Department consistently strive to improve the quality of life in our community.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Dukes Sheriffs Department	2,696	0	2,696	0

[www.dukescounty.org/Pages/DukesCountyMA\\_Sheriff/index](http://www.dukescounty.org/Pages/DukesCountyMA_Sheriff/index)

***Budgetary Direct Appropriations*** **2,695,815**

**DUKES SHERIFF'S DEPARTMENT**

8910-8400	For the operation of the Dukes sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2013; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriffs' association in consultation with the executive office for administration and finance, fiscal year 2013 total costs per inmate by facility and security level no later than October 1, 2013; and provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association and the department of correction	2,695,815
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**Essex Sheriffs Department**

The Essex County Sheriff's Department's top priority is to protect residents in the region from criminal offenders. This is accomplished by housing inmates in a secure and fair manner; providing rehabilitation and academic training to offenders while they are incarcerated so they will not repeat their mistakes once they are released; practicing correctional polices that comply with all local, state and federal laws; using innovative correctional approaches that are in accord with the Essex County Sheriff's Department's top mission; and informing and educating the public about the department through the media, tours of the facility and public appearances by the Sheriff, administrators, K-9 Unit and uniformed personnel.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Essex Sheriffs Department	49,133	332	49,465	2,225

<http://www.mass.gov/eccf>

**Budgetary Direct Appropriations 47,132,977**

ESSEX SHERIFF'S DEPARTMENT

8910-0619	For the operation of the Essex sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2013; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriffs' association in consultation with the executive office for administration and finance, fiscal year 2013 total costs per inmate by facility and security level no later than October 1, 2013; and provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association and the department of correction	47,132,977
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**Federal Grant Spending 212,000**

COMMUNITY ORIENTED POLICY SERVICES 04 TECHNOLOGY GRANT

8910-0614	For the purposes of a federally funded grant entitled, Community Oriented Policing Services 04 Technology Grant	212,000
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**Retained Revenue 2,000,000**

REIMBURSEMENT FROM HOUSING FEDERAL INMATES RETAINED REVENUE

8910-6619	For the Essex sheriff's department, which may expend for the operation of the department an amount not to exceed \$2,000,000 from federal inmate reimbursements; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department	2,000,000
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may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system

<b>Trust Spending</b>	<b>120,000</b>
NARCOTIC FORFEITURE	
8910-0613	120,000

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**Franklin Sheriffs Department**

The primary mission of the Franklin Sheriff's Office is the protection of the public. The philosophy of the Sheriff's Office is to protect the public by operating the Franklin County Jail and House of Correction and providing public safety services to the citizens of Franklin County.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Franklin Sheriffs Department	12,665	0	12,665	2,498

www.fcso-ma.us

**Budgetary Direct Appropriations** **10,214,962**

FRANKLIN SHERIFF'S DEPARTMENT

8910-0108	For the operation of the Franklin sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2013; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriffs' association in consultation with the executive office for administration and finance, fiscal year 2013 total costs per inmate by facility and security level no later than October 1, 2013; and provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association and the department of correction	10,214,962
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**Retained Revenue** **2,450,000**

REIMBURSEMENT FROM HOUSING FEDERAL INMATES RETAINED REVENUE

8910-0188	For the Franklin sheriff's department, which may expend for the operation of the department an amount not to exceed \$2,100,000 from any state or federal inmate reimbursements; provided, that notwithstanding any general or special	2,100,000
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law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system

FRANKLIN SHERIFF'S DEPARTMENT FEDERAL TRANSPORT

8910-0288	For the Franklin Sheriff's office, which may expend for the operation of the office an amount not to exceed \$350,000 from revenues received from federal reimbursements for transportation of federal detainees; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate as reported in the state accounting system	350,000
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***Hampden Sheriffs Department***

The mission of the Hampden County Sheriff's Department is to empower offenders to reclaim their liberty through informed and responsible choices. This mission is accomplished through a professional, well-trained and dedicated staff committed to the goals of the facility. The continuum of care, from entry to post-release, is designed to promote successful offender re-entry as socially and civically responsible citizens.

	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Resource Summary (\$000)				
Hampden Sheriffs Department	71,690	13	71,703	3,250

<http://www.hcsdmass.org/>

***Budgetary Direct Appropriations*** **68,793,515**

HAMPDEN SHERIFF'S DEPARTMENT

8910-0102	For the operation of the Hampden sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2013; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriff's association in consultation with the executive office for administration and finance, fiscal year 2013 total costs per inmate by facility and security level no later than October 1, 2013; and provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association and the department of correction	67,897,128
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HAMPDEN SHERIFF REGIONAL MENTAL HEALTH STAB UNIT

8910-1010	<p>For the operations of a regional behavioral evaluation and stabilization unit to provide forensic mental health services within existing physical facilities for incarcerated persons in the care of correctional facilities in the commonwealth; provided, that the unit shall be located in Hampden county to serve the needs of incarcerated persons in the care of Berkshire, Franklin, Hampden, Hampshire and Worcester counties; provided further, that the services of the units shall be made available to incarcerated persons in the care of the department of correction; provided further, that the sheriff, in conjunction with the department of correction and the Massachusetts sheriffs' association, shall prepare a report that shall include, but not be limited to: (a) the number of incarcerated persons in facilities located in counties that were provided services in each unit; (b) the number of incarcerated persons in department of correction facilities that were provided services in each unit; (c) the alleviation in caseload at Bridgewater state hospital associated with fewer incarcerated persons in the care of counties being attended to at the hospital; and (d) the estimated and projected cost-savings in fiscal year 2014 to the sheriff offices and the department of correction associated with the regional units; provided further, that the report shall be submitted to the executive office for administration and finance and the house and senate committees on ways and means not later than March 15, 2014; and provided further, that the department of mental health shall maintain monitoring and quality review functions of the unit</p>	896,387
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<b>Retained Revenue</b>	<b>2,896,673</b>
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PRISON INDUSTRIES RETAINED REVENUE

8910-1000	<p>The Hampden sheriff's department may expend for prison industries programs an amount not to exceed \$2,396,673 from revenues collected from the sale of prison industries products; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the office may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system</p>	2,396,673
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REIMBURSEMENT FROM HOUSING FEDERAL INMATES RETAINED REVENUE

8910-2222	<p>For the Hampden sheriff's office, which may expend for the operation of the office an amount not to exceed \$500,000 from federal inmate reimbursements; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the office may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system</p>	500,000
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<b>Trust Spending</b>	<b>13,245</b>
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POINTS OF ENTRY GRANT

8910-1234		13,245
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**Hampshire Sheriffs Department**

The primary mission of the Hampshire Sheriff's Department is to protect society from criminal offenders by safely and humanely housing inmates at the least restrictive security level that is practical and still protects the public.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Hampshire Sheriffs Department	13,242	0	13,242	456

<http://www.hampshiresheriffs.com/>

**Budgetary Direct Appropriations 12,833,986**

HAMPSHIRE SHERIFF'S DEPARTMENT

8910-0110	For the operation of the Hampshire sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2013; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriffs' association in consultation with the executive office for administration and finance, fiscal year 2013 total costs per inmate by facility and security level no later than October 1, 2013; and provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association and the department of correction	12,833,986
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**Retained Revenue 408,248**

HAMPSHIRE REGIONAL LOCKUP RETAINED REVENUE

8910-1112	For the Hampshire sheriff's office, which may expend for the operation of the Hampshire county regional lockup at the Hampshire county jail an amount not to exceed \$158,248 in revenue; provided, that the sheriff shall enter into agreements to provide detention services to various law enforcement agencies and municipalities, and shall determine and collect fees for those detentions from the law enforcement agencies and municipalities	158,248
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HAMPSHIRE SHERIFFS FEDERAL INMATE REIMBURSEMENT RETAINED REV

8910-1127	For the Hampshire Sheriff's office, which may expend for the operation of the office an amount not to exceed \$250,000 from revenues received from federal inmate reimbursements; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate as reported in the state accounting system	250,000
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**Massachusetts Sheriffs Association**

The Massachusetts Sheriffs' Association (MSA) works to secure a unity of action by the sheriffs of the Commonwealth in order to address the numerous issues that have a direct relationship and impact on the entire criminal justice system and which may affect the operation of the various sheriffs' offices. These issues shall include, but not be limited to, those related to law enforcement, the care and custody of inmates and detainees, judicial services, transportation of prisoners, recidivism, officer training, re-entry programming and legislative advocacy. The MSA shall also foster cooperative relationships among the sheriffs' offices for the purpose of developing standardized training, providing governance over shared projects, discussing operational best practices and evaluating research and data on matters of mutual interest and concern. Ultimately, the MSA shall work to promote a greater understanding of the matters impacting the sheriffs' offices and to bring together other law enforcement and criminal justice professionals and practitioners to increase cooperation and demonstrate strategies that can be utilized to improve the public safety of all Massachusetts communities.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Massachusetts Sheriffs Association	352	0	352	0

[www.mass.gov/msa](http://www.mass.gov/msa)

**Budgetary Direct Appropriations**

**351,686**

MASSACHUSETTS SHERIFFS' ASSOCIATION OPERATIONS

8910-7110	<p>For the operation of the Massachusetts sheriffs' association; provided, that the sheriffs shall appoint persons to serve as executive director, assistant executive director, research director and other staff positions as necessary for the purpose of coordination and standardization of services and programs, the collection and analysis of data related to incarceration and recidivism and generation of reports, technical assistance and training to ensure standardization in organization, operations and procedures; provided further, that this staff shall not be subject to section 45 of chapter 30 of the General Laws or chapter 31 of the General Laws and shall serve at the will and pleasure of a majority of sheriffs; provided further, that the executive director of the association shall submit a report that shows the amounts of all grants awarded to each sheriff in fiscal year 2013; provided further, that the report shall be submitted to the house and senate committees on ways and means not later than February 1, 2014; provided further, that the association shall post monthly on its website the monthly inmate population by county starting not later than August 1, 2013; provided further, that each sheriffs' department, in conjunction with the Massachusetts sheriffs' association, shall provide specific data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, on a quarterly basis beginning in the quarter ending September 30, 2013, due no later than 30 days after the last day of each quarter; provided further, that each sheriffs' department shall also report, in a format designated by the Massachusetts sheriffs' association in consultation with the executive office for administration and finance, fiscal year 2013 total costs per inmate by facility and security level no later than October 1, 2013; provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate</p>	351,686
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committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association and the department of correction; and provided further, that all expenditures made by the sheriff departments of the counties of Massachusetts shall be subject to chapter 29 of the General Laws and recorded on the Massachusetts management accounting and reporting system

**Middlesex Sheriffs Department**

The Middlesex Sheriff's Department provides a secure, safe and humane environment for both staff and offenders. The Department's commitment to public safety is to improve the quality of life in the community through public awareness, reintegration and by exercising core beliefs of professionalism, respect, fairness and integrity.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Middlesex Sheriffs Department	64,865	131	64,996	1,099

<http://www.middlesexsheriff.org/>

**Budgetary Direct Appropriations 63,939,871**

MIDDLESEX SHERIFF'S DEPARTMENT

8910-0107	For the operation of the Middlesex sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2013; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriffs' association in consultation with the executive office for administration and finance, fiscal year 2013 total costs per inmate by facility and security level no later than October 1, 2013; and provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association and the department of correction	63,043,484
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MIDDLESEX SHERIFF MENTAL HEALTH STAB UNIT

8910-1101	For the operations of a regional behavioral evaluation and stabilization unit to provide forensic mental health services within existing physical facilities for incarcerated persons in the care of correctional facilities in the commonwealth; provided, that the unit shall be located in Middlesex county to serve the needs of incarcerated persons in the care of Barnstable, Bristol, Dukes, Essex, Nantucket, Middlesex, Norfolk, Plymouth and Suffolk counties; provided further, that the services of the unit shall be made available to incarcerated persons in the care of the department of correction; provided further, that the sheriff, in conjunction with the department of correction and the Massachusetts sheriffs' association, shall prepare a report that shall include,	896,387
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but not be limited to: (a) the number of incarcerated persons in facilities located in counties that were provided services in each unit; (b) the number of incarcerated persons in department of correction facilities that were provided services in each unit; (c) the alleviation in caseload at Bridgewater state hospital associated with fewer incarcerated persons in the care of counties being attended to at the hospital; and (d) the estimated and projected cost-savings in fiscal year 2014 to the sheriff offices and the department of correction associated with the regional units; provided further, that the report shall be submitted to the executive office for administration and finance and the house and senate committees on ways and means not later than March 15, 2014; and provided further, that the department of mental health shall maintain monitoring and quality review functions of the unit

**Retained Revenue** **925,000**

REIMBURSEMENT FROM HOUSING FEDERAL INMATES RETAINED REVENUE

8910-0160	For the Middlesex sheriff's department, which may expend for the operation of the department an amount not to exceed \$850,000 from federal inmate reimbursements; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	850,000
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PRISON INDUSTRIES RETAINED REVENUE

8910-1100	For the Middlesex sheriff's department, which may expend for prison industries programs an amount not to exceed \$75,000 from revenues collected from the sale of prison industries products	75,000
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**Trust Spending** **131,169**

FEDERAL FORFEITURE FUNDS

8910-0447		109,103
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STATE FORFEITURE FUNDS

8910-0448		22,066
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**Nantucket Sheriffs Department**

The Nantucket Sheriff's Department serves civil and criminal process and court papers. The Department also handles prisoner transport, evictions, landlord and tenant questions, state programs and sheriff sales of real and personal property.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Nantucket Sheriffs Department	755	0	755	0

**Budgetary Direct Appropriations 755,173**

NANTUCKET SHERIFF'S DEPARTMENT

8910-8500      For the operation of the Nantucket sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2013; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriffs' association in consultation with the executive office for administration and finance, fiscal year 2013 total costs per inmate by facility and security level no later than October 1, 2013; and provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association and the department of correction 755,173

**Norfolk Sheriffs Department**

The Norfolk County Sheriff's Department serves the citizens of Norfolk County by enhancing public safety through the operation of a safe, secure and humane direct supervision correctional facility. These efforts are accomplished with a highly trained, dedicated, professional, compassionate and diverse workforce as well as collaborative agreements with both public and private stakeholders.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Norfolk Sheriffs Department	30,533	188	30,722	2,500

[www.norfolksheriff.com](http://www.norfolksheriff.com)

**Budgetary Direct Appropriations 28,033,140**

NORFOLK SHERIFF'S DEPARTMENT

8910-8600      For the operation of the Norfolk sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2013; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriffs' association in consultation with the executive office for administration and finance, fiscal year 2013 total costs per inmate by facility and security level no later than October 1, 2013; and 28,033,140

provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association and the department of correction

**Retained Revenue** **2,500,000**

NORFOLK SHERIFF'S DEPARTMENT FEDERAL INMATE

8910-8610	For the Norfolk sheriff's department, which may expend for the operation of the department an amount not to exceed \$2,500,000 from federal inmate reimbursements; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	2,500,000
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**Trust Spending** **188,428**

NORFOLK COUNTY SHERIFFS COMMUNICATIONS FUND EXPENDABLE TRUST

8910-8622		103,512
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NORFOLK CTY SHERIFF FEDERAL DRUG FORFEITURE TRUST

8910-8624		20,000
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NORFOLK CTY SHERIFF COMMUNITY PROGRAMS TRUST

8910-8625		64,916
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**Plymouth Sheriffs Department**

The primary mission of the Plymouth County Sheriff's Department is dedication to strengthening public safety through corrections and specialized support services for all criminal justice agencies.

	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Plymouth Sheriffs Department	50,111	77	50,189	16,000

[www.pcsdma.org](http://www.pcsdma.org)

**Budgetary Direct Appropriations** **34,111,302**

PLYMOUTH SHERIFF'S DEPARTMENT

8910-8700	For the operation of the Plymouth sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2013; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriffs' association in consultation with the executive office for administration and finance, fiscal year 2013 total costs per inmate by facility and security level no later than October 1, 2013; and provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association and the department of correction	34,111,302
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<b>Retained Revenue</b>		<b>16,000,000</b>
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PLYMOUTH SHERIFF'S DEPARTMENT FEDERAL INMATE

8910-8710	For the Plymouth sheriff's department, which may expend for the operation of the department an amount not to exceed \$16,000,000 from federal inmate reimbursements; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	16,000,000
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<b>Trust Spending</b>		<b>77,238</b>
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PLYMOUTH COUNTY SHERIFF'S SOCIAL SECURITY INCENTIVE

8910-8714		46,682
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PLYMOUTH COUNTY SHERIFF S OFFICE SCAAP FUND EXPENDABLE TRUST

8910-8720		30,556
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**Suffolk Sheriffs Department**

The Suffolk Sheriff's Department is mandated to enforce the laws of the Commonwealth and to serve and protect the citizens of Suffolk County. This mission is accomplished by maintaining safe and secure custody and control of inmates and pre-trial detainees and enhancing public safety by seeking ways to effectively reduce offender recidivism.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Suffolk Sheriffs Department	103,594	0	103,594	8,000

www.scsdma.org

**Budgetary Direct Appropriations** **95,594,154**

SUFFOLK SHERIFF'S DEPARTMENT

8910-8800 For the operation of the Suffolk sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2013; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriffs' association in consultation with the executive office for administration and finance, fiscal year 2013 total costs per inmate by facility and security level no later than October 1, 2013; and provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association and the department of correction 95,594,154

**Retained Revenue** **8,000,000**

SUFFOLK SHERIFF'S DEPARTMENT FEDERAL INMATE

8910-8810 The Suffolk sheriff's department may expend for the operation of the department an amount not to exceed \$8,000,000 from federal inmate reimbursements; provided, that notwithstanding any general or special law to the contrary, for the purpose of accomodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 8,000,000

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**Worcester Sheriffs Department**

The primary mission of the Worcester County Sheriff's Department is to protect society from criminal offenders through the safe detention of pre-trial detainees and the safe detention and rehabilitation of sentenced inmates. This mission is accomplished by providing educational, substance abuse and vocational program opportunities for inmates; exercising prudent management over facility resources; implementing policies, procedures and practices which are in compliance with applicable laws; striving to meet the Standards for County Correctional Facilities, the American Standards for Adult Local Detention Facilities and the Standards of the National Commission on Correctional Healthcare; and ensuring access to comprehensive post-incarceration resources, including but not limited to the Almost Home Program.

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Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Worcester Sheriffs Department	41,485	0	41,485	167

<http://www.worcestersheriff.com/>

**Budgetary Direct Appropriations 41,484,943**

WORCESTER SHERIFF'S DEPARTMENT

8910-0105	For the operation of the Worcester sheriff's department; provided, that the sheriff's department shall provide relevant data to the executive office of public safety and security to allow for the reporting of recidivism rates for all pretrial, county sentenced and state sentenced inmates, starting July 1, 2013; provided further, that each sheriff's department shall also report, in a format designated by the Massachusetts sheriffs' association in consultation with the executive office for administration and finance, fiscal year 2013 total costs per inmate by facility and security level no later than October 1, 2013; and provided further, that the sheriff's department shall submit this report directly to the executive office for administration and finance, the house and senate committees on ways and means, the joint committee on public safety, the executive office of public safety and security, the Massachusetts sheriffs' association and the department of correction	41,484,943
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**Office of the State Auditor**

The mission of the Office of the State Auditor is to use its audits, investigations, and reports as tools to make government work better. To these ends, the Office conducts independent and objective audits of the Commonwealth's financial and programmatic activities and provides policy-makers with meaningful recommendations for improvements in the operations of state government.

Further, pursuant to statutory authority, the OSA renders determinations as to whether proposed or existing state mandates impose direct costs on a municipality, and works with stakeholders to find solutions to funding deficiencies and also investigates allegations of public assistance fraud.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Office of the State Auditor	18,149	182	18,331	0

<http://www.mass.gov/sao>

**Budgetary Direct Appropriations 18,149,404**

OFFICE OF THE STATE AUDITOR ADMINISTRATION

0710-0000	For the operation of the office of the state auditor, including the Medicaid audit unit; provided, that expenditures for the Medicaid audit unit shall be federally reimbursable	13,787,181
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**FY2014 Governor's Budget Recommendation**

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DIVISION OF LOCAL MANDATES

0710-0100 For the operation of the division of local mandates 368,072

BUREAU OF SPECIAL INVESTIGATIONS

0710-0200 For the operation of the bureau of special investigations 1,778,540

HEALTH CARE COST CONTAINMENT COMPREHENSIVE INVESTIGATION

0710-0220 For the implementation of chapter 224 of the acts of 2012 to investigate and review the impact of health care payment and delivery in the commonwealth 862,500

MEDICAID AUDIT UNIT

0710-0225 For the operation of the Medicaid audit unit within the division of audit operations in an effort to prevent and to identify fraud and abuse in the MassHealth system; provided, that the federal reimbursement for any expenditure from this item shall not be less than 50 per cent 888,851

ENHANCED BUREAU OF SPECIAL INVESTIGATION

0710-0300 For costs related to the use of data analytic techniques to identify fraud by the bureau of special investigations 464,260

**Trust Spending 181,500**

AGREEMENTS WITH FEDERAL GOVERNMENT

0710-0066 181,500

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**Massachusetts Cultural Council**

The Massachusetts Cultural Council promotes excellence, access, education and diversity in the arts, humanities and interpretive sciences to improve the quality of life for all Massachusetts residents and contribute to the economic vitality of our communities. The Massachusetts Cultural Council is committed to building a central place for the arts, sciences and humanities in the everyday lives of communities across the Commonwealth through a combination of grant programs, partnerships and services for non-profit cultural organizations, schools, communities and individual artists.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Massachusetts Cultural Council	9,592	1,148	10,739	2

<http://www.mass.gov/mcc>

**Budgetary Direct Appropriations 9,591,595**

MASSACHUSETTS CULTURAL COUNCIL

0640-0300	For the operation of the Massachusetts cultural council, including grants to or contracts with public and non-public entities; provided, that notwithstanding any general or special law to the contrary, the council may expend the amount appropriated in this item for the purposes of the council as provided in sections 52 to 58, inclusive, of chapter 10 of the General Laws in such amounts and at such times as the council may determine under section 54 of chapter 10; provided further, that an amount equal to 25 per cent of this appropriation shall be transferred quarterly from the Arts Lottery Fund to the General Fund; provided further, that any funds expended from this item for the benefit of school children shall be expended under uniform terms and conditions for all Massachusetts school children; and provided further, that persons employed under this item shall be considered employees within the meaning of section 1 of chapter 150E of the General Laws and shall be placed in the appropriate bargaining units	9,591,595
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<b>Federal Grant Spending</b>	<b>889,100</b>
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FOLK AND TRADITIONAL ARTS INITIATIVES

0640-9716	For the purposes of a federally funded grant entitled, Folk and Traditional Arts Initiatives	30,000
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BASIC STATE GRANT

0640-9717	For the purposes of a federally funded grant entitled, Basic State Grant	599,900
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ARTISTS IN EDUCATION

0640-9718	For the purposes of a federally funded grant entitled, Artists in Education	74,300
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YOUTH REACH STATE AND REGIONAL PROGRAMS

0640-9724	For the purposes of a federally funded grant entitled, Youth Reach State and Regional Programs	184,900
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<b>Trust Spending</b>	<b>258,489</b>
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MASSDEVELOPMENT EXPENDABLE TRUST

0640-2102		149,999
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BIG YELLOW SCHOOL BUS EXPENDABLE TRUST

0640-2162		4,415
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MASSACHUSETTS CULTURAL COUNCIL GENERAL TRUST

0640-6501		7,500
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INTERGOVERNMENTAL PERSONNEL ACT TRUST

0640-6502

96,575

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**Office of the Treasurer and Receiver-General**

The Office of the Treasurer and Receiver-General's mission is to prudently manage and safeguard the Commonwealth's public deposits and investments through sound business practices for the exclusive benefit of the citizens of Massachusetts.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Office of the Treasurer and Receiver-General	2,249,742	732,466	2,982,208	89,955

<http://www.mass.gov/treasury/>

**Budgetary Direct Appropriations** **2,229,510,786**

OFFICE OF THE TREASURER AND RECEIVER-GENERAL

0610-0000 For the operation of the office of the treasurer and receiver general 9,271,123

FINANCIAL LITERACY PROGRAMS

0610-0010 For programs to promote and improve financial literacy for Massachusetts residents 84,150

ALCOHOLIC BEVERAGES CONTROL COMMISSION

0610-0050 For the alcoholic beverages control commission 2,324,783

ALCOHOLIC BEVERAGES CNTR COMM. INVESTIGATION & ENFORCEMENT

0610-0060 For the costs associated with the investigation and enforcement division of the alcoholic beverages control commission's implementation of the enhanced liquor enforcement programs, known as Safe Campus, Safe Holidays, Safe Prom, and Safe Summer; provided, that funds from this appropriation shall not support other operating costs of item 0610-0050 148,500

FINANCIAL INSTITUTION FEES

0610-0140 For the purpose of funding administrative, transactional and research expenses associated with maintaining and increasing the interest earnings on the commonwealth's General and Stabilization Fund investments 22,257

WELCOME HOME BILL BONUS PAYMENTS

0610-2000 For payments made to veterans pursuant to section 16 of chapter 130 of the acts of 2005, section 11 of chapter 132 of the acts of 2009, section 32 of chapter 112 of the acts of 2010 and section 3 of chapter 171 of the acts of 2011; provided, that the office of the state treasurer may expend not more 2,776,950

than \$205,000 for costs incurred in the administration of these payments

**BONUS PAYMENTS TO WAR VETERANS**

0611-1000	For bonus payments to war veterans	44,055
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**PUBLIC SAFETY EMPLOYEES LINE OF DUTY DEATH BENEFITS**

0612-0105	For payment of the public safety employees line-of-duty death benefits authorized by section 100A of chapter 32 of the General Laws	200,000
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**ACCELERATED BRIDGE PROGRAM**

0699-0014	For the payment of interest, discount and principal on certain indebtedness incurred under chapter 233 of the acts of 2008 for financing the accelerated bridge program Commonwealth Transportation Fund ... 100%	56,249,759
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**CONSOLIDATED LONG-TERM DEBT SERVICE**

0699-0015	For the payment of interest, discount and principal on certain bonded debt and the sale of bonds of the commonwealth; provided, that notwithstanding any general or special law to the contrary, the state treasurer may make payments pursuant to section 38C of chapter 29 of the General Laws from this item and items 0699-9100, 0699-9101, 0699-2005 and 0699-0014; provided further, that the payments shall pertain to the bonds, notes or other obligations authorized to be paid from each item or to refunding escrows related to debt of the commonwealth; provided further, that notwithstanding any general or special law to the contrary, the comptroller may transfer the amounts that would otherwise be unexpended on June 30, 2014, from this item to items 0699-9100, 0699-9101, 0699-2005 and 0699-0014 or from items 0699-9100, 0699-9101, 0699-2005 and 0699-0014 to this item which would otherwise have insufficient amounts to meet debt service obligations for the fiscal year ending June 30, 2014; provided further, that each amount transferred shall be charged to the funds as specified in the item to which the amount is transferred; provided further, that payments on bonds issued pursuant to section 20 of said chapter 29 of the General Laws shall be paid from this item and shall be charged to the infrastructure subfund of the Commonwealth Transportation Fund; and provided further, that notwithstanding any general or special law to the contrary or other provisions of this item, the comptroller may charge the payments authorized in the item to the appropriate budgetary or other fund subject to a plan which the comptroller shall file 10 days in advance with the house and senate committees on ways and means General Fund ... 56.3% Commonwealth Transportation Fund ... 43.7%	2,006,191,904
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**CENTRAL ARTERY TUNNEL DEBT SERVICE**

0699-2005	For the payment of interest, discount and principal on certain indebtedness which may be incurred for financing the central artery/third harbor tunnel funding shortfall Commonwealth Transportation Fund ... 100%	116,227,203
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**SHORT TERM DEBT SERVICE AND COSTS OF ISSUANCE**

0699-9100	For the payment of interest and issuance costs on bonds and bond and revenue anticipation notes and other notes under sections 47 and 49B of	30,465,601
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chapter 29 of the General Laws and for the payment to the United States under section 148 of the Internal Revenue Code of 1986 of any rebate amount or yield reduction payment owed with respect to any outstanding bonds or notes of the commonwealth; provided, that the treasurer shall certify to the comptroller a schedule of the distribution of costs among the various funds of the commonwealth; provided further, that not more than \$400,000 shall be expended from this item for the costs of personnel at the debt department of the office of the state treasurer; provided further, that the comptroller shall charge costs to the funds in accordance with the schedule; and provided further, that any deficit in this item at the close of the fiscal year ending June 30, 2014 shall be charged to the various funds or to the General Fund or Commonwealth Transportation Fund debt service reserves

GRANT ANTICIPATION NOTES DEBT SERVICE

0699-9101	For the purpose of depositing with the trustee under the trust agreement authorized in section 10 of chapter 11 of the acts of 1997 an amount to be used to pay the interest due on notes of the commonwealth issued under section 9 of chapter 11 of the acts of 1997 and secured by the Federal Highway Grant Anticipation Note Trust Fund Commonwealth Transportation Fund ... 100%	5,504,500
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<b><i>Intragovernmental Service Fund</i></b>		<b>6,217,722</b>
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AGENCY DEBT SERVICE PROGRAMS

0699-0018	For the cost of debt service for the fiscal year ending June 30, 2014 for projects or programs for which an agency has committed to fund the associated debt service; provided, that the treasurer may charge other appropriations and federal grants for the cost of the debt service Intragovernmental Service Fund ... 100%	6,217,722
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<b><i>Retained Revenue</i></b>		<b>20,230,828</b>
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ALCOHOL BEVERAGES CONTROL COMMISSION GRANT

0610-0051	For the operations of the alcoholic beverages control commission relative to the prevention of underage drinking and related programs, including, but not limited to, applying for and obtaining federal Alcohol, Tobacco, and Firearms funds, grants, and other federal appropriations; provided, that the commission is hereby authorized to expend revenues up to \$230,828 collected from fees generated by this commission; and provided further, that for the purposes of accommodating discrepancies between the receipt of retained revenue and related expenditures, this commission may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate as reported in the state accounting system	230,828
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REVENUE ANTICIPATION NOTES PREMIUM DEBT SERVICE

0699-0005	For the state treasurer who may retain and expend an amount not to exceed \$20,000,000 in fiscal year 2014 from premiums paid on the sales of revenue anticipation notes and expend such premium payments for the purposes of paying principal and interest on account of the revenue anticipation notes	20,000,000
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<b>Trust Spending</b>	<b>726,248,320</b>
A HERO'S WELCOME TRUST FUND	
0610-0093	3,500
WPA ADMINISTRATIVE EXPENDABLE TRUST	
0610-2100	647,648
COMMONWEALTH COVENANT FUND	
0610-3382	100,000
ASIAN AMERICAN COMMISSION EXPENDABLE TRUST	
0610-7200	7,382
SCHOOL MODERNIZATION AND RECONSTRUCTION	
0610-7220	116,728,017
STATE BOARD OF RETIREMENT ADMINISTRATION	
0612-0000	772,539
STATE BOARD OF RETIREMENT-CAPITAL	
0612-0100	440,189
MARTIN H. MCNAMARA ANNUITY TRUST	
0612-1013	2,815
STATE RETIREMENT BOARD PENSION FUND	
0612-1020	331,690,425
STATE EMPLOYEES ANNUITIES FUND BALANCE	
0612-1600	85,406,470
BUILD AMERICA BONDS SUBSIDY TRUST FUND	
0612-2227	11,898,934
ABANDONED PROPERTY	
0650-1700	1,286,658
DISCOUNT ON SALE OF BONDS - GOVERNMENT LAND BANK FUND	

0699-8101	3,401,264
DEBT SERVICE EXPENSES	
0699-8197	18,158,549
MBTA STATE AND LOCAL CONTRIBUTION PAYMENT	
6005-9987	155,703,930

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***State Lottery Commission***

The Massachusetts State Lottery was created by the Legislature in 1971 in response to the need for revenues for the 351 cities and towns of the Commonwealth. The Lottery is charged with generating the revenues through the sale of its products while the Department of Revenue's Division of Local Services is responsible for disbursing the funds to municipalities.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
State Lottery Commission	90,893	0	90,893	155

<http://www.masslottery.com>

***Budgetary Direct Appropriations*** **90,892,716**

STATE LOTTERY COMMISSION

0640-0000 For the operation of the state lottery commission and arts lottery; provided, that a sum equal to 25 per cent of the amount appropriated in this item shall be transferred quarterly from the State Lottery and Gaming Fund to the General Fund; and provided further, that no funds shall be expended from this item for costs associated with the promotion or advertising of lottery games 82,399,903

STATE LOTTERY COMMISSION - MONITOR GAMES

0640-0005 For the costs associated with monitor games; provided, that any funds expended on promotional activities shall be limited to point-of-sale promotions and agent newsletters; and provided further, that 25 per cent of the amount appropriated in this item shall be transferred quarterly from the State Lottery and Gaming Fund to the General Fund 3,183,379

STATE LOTTERY COMMISSION - ADVERTISING

0640-0010 For the promotional activities associated with the state lottery program; provided, that 25 per cent of the amount appropriated in this item shall be transferred quarterly from the State Lottery and Gaming Fund to the General Fund 4,950,000

STATE LOTTERY COMMISSION - HEALTH AND WELFARE BENEFITS

0640-0096	For the purpose of the commonwealth's fiscal year 2014 contributions to the health and welfare fund established under the collective bargaining agreement between the lottery commission and the Service Employees International Union, Local 888, AFL-CIO; provided, that the contributions shall be paid to the trust fund on such basis as the collective bargaining agreement provides; and provided further, that 25 per cent of the amount appropriated in this item shall be transferred quarterly from the State Lottery and Gaming Fund to the General Fund	359,434
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**Water Pollution Abatement**

The Massachusetts Water Pollution Abatement Trust (MWPAT or the "Trust") was established in 1989 pursuant to Title VI of the Federal Clean Water Act. It was later amended in 1998 to encompass the provisions of Title XIV of the Federal Safe Drinking Water Act. The Massachusetts Water Pollution Abatement Trust improves the water quality in the Commonwealth through the provision of low cost capital financing to cities, towns, and other eligible entities, and maintains stewardship of public funds with prudence, professionalism, and integrity.

	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Water Pollution Abatement	0	2,995	2,995	0

<http://www.mass.gov/treasury/MWPAT>

<b>Trust Spending</b>	<b>2,994,633</b>
DRINKING WATER STATE REVOLVING FUND CONTRACT ASSISTANCE	
0610-0136	2,994,633

**Judiciary**

**Fiscal Year 2014 Resource Summary (\$000)**

Department	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Appeals Court	11,876	0	11,876	443
Board of Bar Examiners	1,094	0	1,094	0
Commission on Judicial Conduct	610	0	610	0
Committee for Public Counsel Services	189,279	140	189,419	8,950
Mental Health Legal Advisors Committee	863	21	883	0
Supreme Judicial Court	27,165	775	27,940	2,783
Trial Court	577,582	4	577,586	105,715
<b>TOTAL</b>	<b>808,468</b>	<b>940</b>	<b>809,408</b>	<b>117,891</b>

**Historical Employment Levels**

Department	June FY2010	June FY2011	June FY2012	Approved FY2013	Projected FY2014
Appeals Court	111	109	108	109	109
Board of Bar Examiners	8	9	9	9	9
Commission on Judicial Conduct	6	6	5	6	6
Committee for Public Counsel Services	406	468	650	833	833
Mental Health Legal Advisors Committee	9	8	8	9	9
Supreme Judicial Court	84	82	84	86	86
Trial Court	6,762	6,426	6,220	6,178	6,178
<b>TOTAL</b>	<b>7,387</b>	<b>7,109</b>	<b>7,085</b>	<b>7,230</b>	<b>7,230</b>

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2014 FTE figures are preliminary and may not represent actual levels.

**Appeals Court**

Created in 1972, the Appeals Court is a court of general appellate jurisdiction. Most appeals from the several departments of the Trial Court are entered initially in the Appeals Court; some are then transferred to the Supreme Judicial Court, but a majority are decided by the Appeals Court. The Appeals Court also has jurisdiction over appeals from final decisions of three state agencies: the Appellate Tax Board, the Department of Industrial Accidents and the Commonwealth Employment Relations Board.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Appeals Court	11,876	0	11,876	443

<http://www.mass.gov/courts/appealscourt/>

<b>Budgetary Direct Appropriations</b>	<b>11,875,643</b>
APPEALS COURT	
0322-0100 For the operation of the appeals court	11,875,643

**Board of Bar Examiners**

The Board of Bar Examiners (BBE) is established by law under the General Laws of Massachusetts Chapter 221, Section 35. The Supreme Judicial Court (SJC) appoints the Board of Bar Examiners' five members. Subject to the approval of the SJC, the Board makes and upholds rules with reference to examinations for admission to the bar and the qualifications of applicants in accordance with SJC Rule 3:01.

The Board evaluates the applicants' requirements, legal education and character and fitness to practice law for applicants petitioning the SJC for admission to the Massachusetts bar, either by examination or motion waiver. The Board prepares, administers and grades the bar examination and issues reports to the SJC, either recommending or not recommending applicants.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Board of Bar Examiners	1,094	0	1,094	0

[www.mass.gov/bbe](http://www.mass.gov/bbe)

<b>Budgetary Direct Appropriations</b>	<b>1,093,734</b>
BOARD OF BAR EXAMINERS	
0321-0100 For the operation of the board of bar examiners	1,093,734

**Commission on Judicial Conduct**

The Commission on Judicial Conduct (CJC) is the state agency responsible for investigating complaints of judicial misconduct against state court judges and for recommending, when necessary, discipline of judges to the Supreme Judicial Court. All fifty states and the District of Columbia have judicial conduct agencies to investigate allegations of judicial misconduct and disability that prevent judges from properly performing their judicial duties.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Commission on Judicial Conduct	610	0	610	0

<http://www.mass.gov/cjc/>

<b>Budgetary Direct Appropriations</b>	<b>610,138</b>
COMMISSION ON JUDICIAL CONDUCT	
0321-0001 For the operation of the commission on judicial conduct	610,138

**Committee for Public Counsel Services**

The Committee for Public Counsel Services, a 15-member body appointed by the Massachusetts Supreme Judicial Court, Governor, Senate and House of Representatives, to oversee the provision of legal representation to indigent persons who have a right to counsel in criminal and civil cases and administrative proceedings. Private attorneys provide representation and the Committee's Private Counsel Division (focusing on criminal and delinquency matters), Children and Family Law Division (CAFL), Youth Advocacy Department (YAD) and Mental Health Litigation Unit train, certify, support and oversee these attorneys. The Public Defender Division, CAFL and Juvenile Defender staff offices handle all other cases. The Public Defender Division has staff attorneys working in offices located across Massachusetts. Staff defenders provide representation to clients in criminal and delinquency proceedings in Superior, District and Juvenile Court. Additional staff attorneys in CAFL offices throughout the state represent clients in state intervention and child welfare cases.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Committee for Public Counsel Services	189,279	140	189,419	8,950

<http://www.mass.gov/cpcs/>

<b>Budgetary Direct Appropriations</b>	<b>180,379,069</b>
COMMITTEE FOR PUBLIC COUNSEL SERVICES	
0321-1500 For the operation of the committee for public counsel services, as authorized by chapter 211D of the General Laws; provided, that the committee shall develop and implement a system in which no less than 25 per cent of indigent defendants shall be represented by public defenders by the end of fiscal year	46,305,776

2014; provided further, that the committee shall provide a report to the executive office for administration and finance and the house and senate committees on ways and means, no later than September 1, 2013, detailing an implementation plan for meeting the requirements of the previous proviso, that shall include, but not be limited to, the following: (a) the expected surplus or deficiency for fiscal year 2014 of items 0321-1500 and 0321-1510, (b) the current and projected number of public defenders and private bar advocates assigned to each court house and (c) any perceived impediments to implementing this plan by the end of fiscal year 2014 and possible solutions to such impediments; provided further, that in hiring public defenders, priority shall be given to current private bar advocates; provided further, that the committee shall submit a report to the executive office for administration and finance, the clerks of the house of representatives and senate, the joint committee on the judiciary and the house and senate committees on ways and means no later than December 2, 2013, that shall include, but not be limited to, the following: (1) the number of cases for which the committee provided representation in the prior fiscal year, delineated by public defender and private bar advocate representation, and further delineated by type of case and geographic location, (2) the average cost for public defender services rendered per case, delineated by type of case and geographic location, (3) the average cost for private bar advocate services rendered per case, delineated by type of case and geographic location, (4) the average number of hours spent per case by public defenders, delineated by type of case and geographic location, (5) the average number of hours billed by private bar advocates, delineated by type of case and geographic location, (6) the total amount of counsel fees paid to the courts by clients for services rendered, delineated by type of case and geographic location and (7) any proposed expansion of legal services delineated by type of service, target population and cost; provided further, that the committee shall submit quarterly reports to the executive office for administration and finance and the house and senate committees on ways and means starting on October 12, 2013 and ending on July 11, 2014 that shall include, but not be limited to, the following: (1) the total number of cases that have been assigned to public defenders, delineated by type of case, (2) the number of cases that have been assigned to private bar advocates, delineated by type of case, (3) the total billable hours to date of private bar advocates, delineated by type of case, (4) the staffing efficiencies that have been achieved and (5) the cost effectiveness of private bar advocates; and provided further, that this data shall be provided in a cumulative manner, delineated by quarter

PRIVATE COUNSEL COMPENSATION

0321-1510	For compensation paid to private counsel assigned to represent indigent clients in criminal and civil cases; provided, that compensation shall not be granted for representation provided in excess of 75 per cent of total criminal and civil cases administered by the committee on public counsel services; and provided further, that compensation for an individual attorney shall not exceed 1650 hours of representation	123,532,924
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INDIGENT PERSONS FEES AND COURT COSTS

0321-1520	For the fees and court costs of indigent persons	10,540,369
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**Retained Revenue** **8,900,000**

INDIGENT COUNSEL FEES RETAINED REVENUE

0321-1518     The chief counsel of the committee for public counsel services may expend an amount not to exceed \$8,900,000 from fees charged for attorney representation of indigent clients     8,900,000

**Trust Spending** **140,128**

TRAINING FOR PUBLIC AND PRIVATE ATTORNEYS

0321-1606 67,810

JUVENILE ADVOCACY PROJECT

0321-1611 72,318

**Mental Health Legal Advisors Committee**

The Mental Health Legal Advisors Committee (MHLAC) was established in 1973 to secure and protect the legal rights of persons involved in mental health and intellectually disabled programs in the Commonwealth. MHLAC, appointed by the justices of the Supreme Judicial Court, consists of fourteen judges and lawyers who are knowledgeable and experienced in mental health law. The legal staff of MHLAC provides a broad range of legal services to the state's population of persons with mental illness as well as legal referrals, information and advice to individuals, lawyers, mental health professionals and the general public. MHLAC staff also contribute to a wide range of education and training for judges, lawyers and others to maintain quality legal representation and improve the administration of justice when issues related to mental health and disability are presented.

MHLAC's advocacy work reaches individuals and families who are experiencing such problems as denial of access to community-based care and discrimination on the basis of disability. MHLAC also aids adults and minors in public and private facilities who need legal advice about commitment and discharge and the rights to receive or refuse treatment. The Act to Protect the Five Fundamental Rights mandates that all programs and facilities doing business with the Department of Mental Health ensure access to attorneys and advocates of MHLAC and other legal service organizations.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Mental Health Legal Advisors Committee	863	21	883	0

<http://www.mass.gov/mhlac>

**Budgetary Direct Appropriations** **862,510**

MENTAL HEALTH LEGAL ADVISORS COMMITTEE

0321-2000     For the operation of the mental health legal advisors committee 862,510

**Trust Spending 20,602**

MENTAL HEALTH LEGAL ADVISORS COMMITTEE TRUST

0301-0860 20,602

**Supreme Judicial Court**

The Supreme Judicial Court, originally called the Superior Court of Judicature, was established in 1692 and is the oldest appellate court in continuous existence in the Western Hemisphere. After the adoption of the Massachusetts Constitution in 1780, the name of the Court was changed to the Supreme Judicial Court (SJC). The SJC operates under the oldest still functioning written constitution in the world.

The SJC is the Commonwealth's highest appellate court. The Court consists of a Chief Justice and six Associate Justices appointed by the Governor with the consent of the Executive Council. The Justices hold office until the mandatory retirement age of seventy, as do all Massachusetts judges.

The seven Justices hear appeals on a broad range of criminal and civil cases from September through May. Single Justice sessions are held each week throughout the year for certain motions pertaining to cases on trial or on appeal, bail reviews, bar discipline proceedings, petitions for admission to the bar and a variety of other statutory proceedings. The Associate Justices sit as Single Justices each month on a rotation schedule.

In addition to its appellate functions, the SJC is responsible for the general superintendence of the judiciary and of the bar, makes or approves rules for the operations of all the courts and in certain instances provides advisory opinions, upon request, to the Governor and Legislature on various legal issues.

The SJC has oversight responsibility in varying degrees with several affiliated agencies of the judicial branch, including the Board of Bar Overseers, the Board of Bar Examiners, the Clients' Security Board, the Commission on Judicial Conduct, the Massachusetts Legal Assistance Corporation, the Massachusetts Mental Health Legal Advisors Committee and Prisoners' Legal Services.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Supreme Judicial Court	27,165	775	27,940	2,783

[www.mass.gov/sjc](http://www.mass.gov/sjc)

**Budgetary Direct Appropriations 27,164,925**

SUPREME JUDICIAL COURT

0320-0003 For the operation of the supreme judicial court, including salaries of the chief justice and the 6 associate justices 8,140,508

SUFFOLK COUNTY SUPREME JUDICIAL COURT CLERK'S OFFICE

0320-0010 For the operation of the clerk's office of the supreme judicial court for Suffolk county 1,339,802

MASSACHUSETTS LEGAL ASSISTANCE CORPORATION

**FY2014 Governor's Budget Recommendation**

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0321-1600 For civil legal assistance; provided, that notwithstanding section 9 of chapter 221A of the General Laws, the Massachusetts Legal Assistance Corporation shall expend funds for the Disability Benefits Project, the Medicare Advocacy Project and the Battered Women's Legal Assistance Project 15,500,000

PRISONERS' LEGAL SERVICES

0321-2100 For the Prisoners' Legal Services, formerly known as Massachusetts correctional legal services committee 1,010,872

SUFFOLK COUNTY SOCIAL LAW LIBRARY

0321-2205 For the expenses of the social law library located in Suffolk county 1,173,744

**Federal Grant Spending 775,000**

STATE COURT IMPROVEMENT PROGRAM

0320-1700 For the purposes of a federally funded grant entitled, State Court Improvement Program 275,000

STATE COURT DATA SHARING

0320-1701 For the purposes of a federally funded grant entitled, State Court Data Sharing 250,000

STATE COURT IMPROVEMENT TRAINING PROGRAM

0320-1703 For the purposes of a federally funded grant entitled, State Court Improvement Training Program 250,000

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**Trial Court**

The mission of the Trial Court of Massachusetts is to deliver high-quality justice to all citizens in a safe, respectful environment by making sound judicial decisions in a timely, efficient and courteous manner. The Trial Court enhances the accessibility and timeliness of the delivery of justice by emphasizing effectiveness, accountability, transparency and continuous improvement.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Trial Court	577,582	4	577,586	105,715

[www.mass.gov/courts/courtsandjudges/courts/trialcourt.html](http://www.mass.gov/courts/courtsandjudges/courts/trialcourt.html)

**Budgetary Direct Appropriations 577,582,085**

TRIAL COURT JUSTICES' SALARIES

0330-0101	For the salaries of the justices' of the trial court departments; provided, that the trial court administrator may transfer funds between this item and any other item within the trial court	49,128,659
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ADMINISTRATIVE STAFF

0330-0300	For the central administration of the trial court, including the court security program, the Massachusetts sentencing commission and alternative dispute resolution and permanency mediation services; provided, that 50 per cent of all fees payable under Massachusetts Rules of Criminal Procedure 15(d) and 30(c)(8) shall be paid from this item; provided further, that funds be expended for additional expenses associated with the operation of the trial court, the operation of the superior court department, the operation of the district court department, the operation of the probate and family court department, the operation of the land court department, the operation of the Boston municipal court department, the operation of the housing court department, the operation of the juvenile court department, the operation of the commissioner of probation and the operation of the community corrections administration; and provided further, that the trial court administrator and management may transfer funds between this item and any other item within the trial court	525,541,163
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JURY COMMISSIONER

0339-2100	For the operation of the office of the jury commissioner; provided, that the trial court administrator and management may transfer funds between this item and any other item within the trial court	2,912,263
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<b><i>Trust Spending</i></b>	<b>3,859</b>
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JOHN AND ETHEL GOLDBERG V. FUND

0330-2413		3,859
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## Labor and Workforce Development

### Fiscal Year 2014 Resource Summary (\$000)

Department	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Career Services	16,069	0	16,069	485
Department of Labor Standards	2,498	0	2,498	0
Department of Workforce Development	750	1,048,671	1,049,421	0
Division of Industrial Accidents	19,522	0	19,522	0
Division of Labor Relations	2,115	0	2,115	201
Office of the Secretary of Labor and Workforce Development	1,116	19,041	20,157	1,896
<b>TOTAL</b>	<b>42,071</b>	<b>1,067,712</b>	<b>1,109,783</b>	<b>2,582</b>

### Historical Employment Levels

Department	June FY2010	June FY2011	June FY2012	Approved FY2013	Projected FY2014
Department of Career Services	8	7	0	0	0
Department of Labor	31	28	0	0	0
Department of Labor Standards	0	0	37	36	36
Division of Industrial Accidents	213	202	194	202	202
Division of Labor Relations	17	19	17	22	22
Office of the Secretary of Labor and Workforce Development	17	14	15	16	16
<b>TOTAL</b>	<b>285</b>	<b>269</b>	<b>262</b>	<b>275</b>	<b>275</b>

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2014 FTE figures are preliminary and may not represent actual levels.

**Department of Career Services**

The mission of the Department of Career Services (DES) is to enhance the quality, diversity and stability of the Commonwealth's workforce by making available new opportunities and training through its 34 One-Stop Career Centers that assist businesses in finding qualified workers and provide job seekers with career guidance and referrals to jobs and training.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Career Services	16,069	0	16,069	485

<http://www.mass.gov/dcs>

**Budgetary Direct Appropriations 16,069,467**

SUMMER JOBS PROGRAM FOR AT RISK YOUTH

7002-0012	For a youth-at-risk program targeted at reducing juvenile delinquency in high risk areas; provided, that these funds may be expended for the development and implementation of a year-round employment program for at-risk youth as well as existing year-round employment programs	10,000,000
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MASSACHUSETTS MANUFACTURING EXTENSION PARTNERSHIP

7003-0605	For a grant to the Massachusetts Manufacturing Extension Partnership, Inc. Manufacturing Fund ... 100%	1,575,000
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ONE STOP CAREER CENTERS

7003-0803	For the operation of the one-stop career centers, including the administration and oversight to these centers provided by the department of career services	4,494,467
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**Department of Labor Standards**

The mission of the Department of Labor Standards (DLS) is to promote and protect workers' safety, health, wages and working conditions. In collaboration with public and private entities, DLS protects workers by means of education and training, workplace safety and health consultation and assessment, occupational injury and illness data collection and analysis, and consistent and responsible administration and enforcement of its statutes and regulations. DLS carries out its objectives in a manner that supports employers and strengthens the Commonwealth's communities and economy. In addition, DLS also promotes, develops and services registered apprenticeship programs in the Commonwealth through its Division of Apprenticeship Training (DAT).

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Labor Standards	2,498	0	2,498	0

<http://www.mass.gov/lwd/labor-standards/>

**Budgetary Direct Appropriations 2,045,348**

DEPARTMENT OF LABOR STANDARDS

7003-0200 For the operation of the department of labor standards; provided, that positions for a program to evaluate asbestos levels in public schools and other public buildings shall not be subject to chapter 31 of the General Laws 2,045,348

**Retained Revenue 452,850**

ASBESTOS DELEADING EA SERVICES

7003-0201 For the department of labor standards; provided, that the department may expend an amount not to exceed \$452,850 received from fees authorized under section 3A of chapter 23 of the General Laws and civil fines issued under section 197B of chapter 111 of the General Laws, section 46R of chapter 140 of the General Laws and section 6F1/2 of chapter 149 of the General Laws 452,850

**Division of Industrial Accidents**

The mission of the Department of Industrial Accidents (DIA) is to administer the Commonwealth's Workers' Compensation system and provide prompt and fair compensation to victims of occupational injuries and illness, and to see that medical treatment to injured workers is provided in a timely manner, while balancing the needs of employers to contain workers' compensation insurance costs.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Division of Industrial Accidents	19,522	0	19,522	0

<http://www.mass.gov/dia>

**Budgetary Direct Appropriations 19,522,205**

DEPARTMENT OF INDUSTRIAL ACCIDENTS

7003-0500 For the operation and administrative expenses of the department of industrial accidents; provided, that the General Fund shall be reimbursed the amount appropriated in this item and for associated indirect and direct fringe benefit costs from assessments levied under section 65 of chapter 152 of the General Laws 19,522,205

**Division of Labor Relations**

The Department of Labor Relations (DLR) is statutorily charged with the mission of preventing or promptly settling labor disputes by offering dispute resolution services to both public and private sector employers and the labor organizations that represent their employees. The four primary functions of the DLR are: (1) adjudication of prohibited practice charges; (2) handling of representation cases and bargaining unit clarification cases; (3) prevention and investigation of strikes by public employees; and (4) the provision of conciliation, arbitration and mediation services.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Division of Labor Relations	2,115	0	2,115	201

<http://www.mass.gov/dlr>

**Budgetary Direct Appropriations** **2,015,389**

DEPARTMENT OF LABOR RELATIONS

7003-0900 For the operation of the department of labor relations 2,015,389

**Retained Revenue** **100,000**

ARBITRATION AND MEDIATION RETAINED REVENUE

7003-0901 For the department of labor relations which may expend for the operation of the department an amount not to exceed \$100,000 from fees collected under section 3B of chapter 7 of the General Laws or section 6 of chapter 150 of the General Laws; provided, that the first \$100,000 of such fees collected by the department shall be deposited into the General Fund and any fees collected in excess of \$200,000 shall be deposited into the General Fund; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 100,000

**Office of the Secretary of Labor and Workforce Development**

The Executive Office of Labor and Workforce Development's (EOLWD) mission is to enhance the quality, diversity and stability of the Commonwealth's workforce by making available new opportunities and training, protecting the rights of workers, preventing workplace injuries and illnesses, ensuring that businesses are informed of all employment laws impacting them and their employees, providing temporary assistance when employment is interrupted, promoting labor-management partnerships and ensuring equal access to economic self-sufficiency and opportunity for all citizens of the Commonwealth.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Office of the Secretary of Labor and Workforce Development	1,116	19,041	20,157	1,896

[www.mass.gov/eolwd](http://www.mass.gov/eolwd)

**Budgetary Direct Appropriations** **1,115,957**

EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT

7003-0100 For the operation of the executive office of labor and workforce development 814,468

LABOR AND WORKFORCE DEVELOPMENT IT COSTS

7003-0170 For the provision of information technology services within the executive office of labor and workforce development 301,490

**Intragovernmental Service Fund 19,041,430**

CHARGEBACK FOR LABOR AND WORKFORCE DEVELOPMENT IT COSTS

7003-0171 For the cost of information technology services provided to agencies of the executive office of labor and workforce development Intragovernmental Service Fund ... 100% 19,041,430

**Department of Workforce Development**

The Department of Workforce Development's (DWD) mission is to enhance the quality, diversity and stability of the Commonwealth's workforce by making available new opportunities and training, ensuring that businesses are informed of all employment laws impacting them and their employees, providing temporary assistance when employment is interrupted and ensuring equal access to economic self-sufficiency and opportunity for all citizens of the Commonwealth.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Workforce Development	750	1,048,671	1,049,421	0

<http://www.mass.gov/dwd>

**Budgetary Direct Appropriations 750,000**

MASSACHUSETTS SERVICE ALLIANCE

7003-1206 For the Massachusetts Service Alliance to administer State Service Corps grants and provide training and support to volunteer and service organizations 750,000

**Federal Grant Spending 178,166,346**

DEPARTMENT OF EMPLOYMENT AND TRAINING ADMINISTRATIVE CLEARING

7002-6621 For the purposes of a federally funded grant entitled, Administrative Clearing Account 9,719,496

UNEMPLOYMENT INSURANCE ADMINISTRATION

7002-6624 For the purposes of a federally funded grant entitled, Unemployment Insurance Administration 71,331,111

EMPLOYMENT SERVICES STATE ALLOTMENT

7002-6626 For the purposes of a federally funded grant entitled, Employment Services State Allotment 30,350,094

DISABLED VETERANS OUTREACH PROGRAM

7002-6628	For the purposes of a federally funded grant entitled, Disabled Veterans Outreach Program	1,290,000
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LOCAL VETERANS EMPLOYMENT PROGRAM

7002-6629	For the purposes of a federally funded grant entitled, Local Veterans Employment Program	1,692,000
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FEDERAL BUREAU OF LABOR STATISTICS

7002-9701	For the purposes of a federally funded grant entitled, Federal Bureau of Labor Statistics	2,243,970
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TRADE ADJUSTMENT ASSISTANCE

7003-1010	For the purposes of a federally funded grant entitled, Trade Adjustment Assistance	12,247,583
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ADULT ACTIVITIES-WORKFORCE INVESTMENT ACT TITLE I

7003-1630	For the purposes of a federally funded grant entitled, Workforce Investment Act Adult Activities	12,950,085
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YOUTH FORMULA GRANTS-WORKFORCE INVESTMENT ACT TITLE I

7003-1631	For the purposes of a federally funded grant entitled, Workforce Investment Act Youth Formula Grants	15,539,833
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DISLOCATED WORKERS-WORKFORCE INVESTMENT ACT TITLE I

7003-1632	For the purposes of a federally funded grant entitled, Workforce Investment Act Dislocated Workers	33,279
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WORKFORCE INVESTMENT ACT DISLOCATED WORKER FORMULA GRANT

7003-1778	For the purposes of a federally funded grant entitled, Workforce Investment Act Dislocated Worker Formula Grant	19,456,695
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OSHA ONSITE CONSULTATION PROGRAM

7003-6627	For the purposes of a federally funded grant entitled, OSHA Onsite Consultation Program	1,312,200
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<b>Trust Spending</b>	<b>870,504,310</b>
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APPRENTICE TRAINING IDENTIFICATION CARDS

7002-0109		24,688
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DIVISION OF APPRENTICE TRAINING EXPENDABLE TRUST

7002-0110		59,137
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## FY2014 Governor's Budget Recommendation

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WORKFORCE COMPETITIVENESS TRUST	
7002-1074	38,379
UNEMPLOYMENT HEALTH INSURANCE CONTRIBUTION	
7002-1601	46,813,174
WORKFORCE TRAINING TRUST FUND	
7003-0135	19,436,859
MASSACHUSETTS INDUSTRIAL ACCIDENT	
7003-0202	24,000,000
GENERAL INDUSTRIAL ACCIDENT FUND	
7003-0204	62,778,762
IMPARTIAL MEDICAL EXAMINATION	
7003-0208	2,080,000
UNEMPLOYMENT COMP CONTINGENT FUND	
7003-1106	12,458,158
PAYMENTS TO DIRECTOR OF EMPLOYMENT	
7003-6605	700,905,170
UNIVERSAL HEALTH INSURANCE COLLECTIONS	
7003-6612	1,532,362
TRADE AND NAFTA UNEMPLOYMENT BENEFITS	
7003-6635	377,621

**Legislature**

**Fiscal Year 2014 Resource Summary (\$000)**

Department	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
House of Representatives	38,338	0	38,338	0
Joint Legislative Operations	8,290	0	8,290	0
Senate	18,746	0	18,746	0
<b>TOTAL</b>	<b>65,374</b>	<b>0</b>	<b>65,374</b>	<b>0</b>

**Historical Employment Levels**

Department	June FY2010	June FY2011	June FY2012	Approved FY2013	Projected FY2014
House of Representatives	649	633	616	619	619
Joint Legislative Operations	29	30	29	30	30
Senate	317	304	308	296	296
<b>TOTAL</b>	<b>995</b>	<b>968</b>	<b>952</b>	<b>945</b>	<b>945</b>

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2014 FTE figures are preliminary and may not represent actual levels.

**House of Representatives**

The Massachusetts House of Representatives is comprised of 160 members, each representing a district of approximately 40,000 people. As required by the Massachusetts Constitution, the House meets every 72 hours, year-round in either formal or informal session to consider legislation. The Massachusetts House is led by the Speaker of the House who is elected by the members of the body at the beginning of each two-year legislative session. The Massachusetts Legislature, known as the General Court, has been meeting since 1713.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
House of Representatives	38,338	0	38,338	0

<http://www.malegislature.gov/People/House>

**Budgetary Direct Appropriations** **38,337,716**

HOUSE OF REPRESENTATIVES OPERATIONS

9600-0000 For the operation of the house of representatives 38,337,716

**Joint Legislative Operations**

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Joint Legislative Operations	8,290	0	8,290	0

<http://www.mass.gov/legis>

**Budgetary Direct Appropriations** **8,290,390**

JOINT LEGISLATIVE OPERATIONS

9700-0000 For the joint operations of the legislature 8,290,390

**Senate**

The Senate is comprised of 40 members, with each Senator elected to represent a district consisting of approximately 159,000 people. As required by the Massachusetts Constitution, the Senate meets every 3 days, year-round in either formal or informal session to consider legislation. The Massachusetts Senate is led by the President of the Senate who is elected by the members of the body at the beginning of each two-year legislative session. The Massachusetts Legislature, known as the General Court, has been meeting since 1713.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Senate	18,746	0	18,746	0

<http://www.malegislature.gov/People/Senate>

**Budgetary Direct Appropriations** **18,746,058**

SENATE OPERATIONS

9500-0000 For the operation of the senate 18,746,058

**Public Safety**

**Fiscal Year 2014 Resource Summary (\$000)**

Department	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Criminal History Systems Board	5,244	76	5,320	12,505
Department of Correction	569,780	8,121	577,900	12,410
Department of Fire Services	16,695	541	17,236	18,469
Department of Public Safety	11,886	199	12,085	26,654
Department of State Police	316,615	48,206	364,821	33,614
Massachusetts Emergency Management Agency	2,380	26,799	29,180	8,421
Military Division	17,245	54,378	71,623	1,400
Municipal Police Training Committee	3,713	0	3,713	1,200
Office of the Chief Medical Examiner	10,064	0	10,064	2,571
Office of the Secretary of Public Safety and Security	30,875	153,771	184,646	0
Parole Board	18,882	119	19,001	800
Sex Offender Registry Board	3,899	395	4,294	0
<b>TOTAL</b>	<b>1,007,278</b>	<b>292,605</b>	<b>1,299,883</b>	<b>118,044</b>

**Historical Employment Levels**

Department	June FY2010	June FY2011	June FY2012	Approved FY2013	Projected FY2014
Criminal History Systems Board	33	31	28	36	36
Department of Correction	5,067	4,983	5,164	5,279	5,207
Department of Fire Services	70	61	65	75	75
Department of Public Safety	109	128	135	136	139
Department of State Police	2,504	2,396	2,527	2,735	2,885
Massachusetts Emergency Management Agency	50	49	52	55	55
Merit Rating Board	52	52	0	0	0
Military Division	91	91	100	102	102
Municipal Police Training Committee	22	22	20	21	21
Office of the Chief Medical Examiner	65	65	67	66	66
Office of the Secretary of Public Safety and Security	118	127	123	121	122
Parole Board	207	199	201	204	204
Sex Offender Registry Board	56	56	52	52	52
<b>TOTAL</b>	<b>8,443</b>	<b>8,259</b>	<b>8,534</b>	<b>8,880</b>	<b>8,962</b>

Figures represent full-time equivalents (FTEs) paid from budgeted funds, and exclude those paid from capital, federal grants and trust funds. Fiscal Year 2014 FTE figures are preliminary and may not represent actual levels.

***Criminal History Systems Board***

The mission of the Department of Criminal Justice Information Services (DCJIS) is to provide timely and accurate criminal justice information and services to authorized law enforcement and non-criminal justice agencies and individuals in support of promoting the public safety and security of the Commonwealth of Massachusetts.

DCJIS recognizes and preserves the separate mission, priorities, constitutional objectives, governing laws and rules and regulations of the participating agencies responsible for criminal justice administration within the Commonwealth of Massachusetts. The DCJIS innovatively and collaboratively works to integrate, to the most reasonable extent possible, the functionality and interoperability of criminal justice information systems, focuses on enhancing the efficiency, effectiveness and accuracy of our criminal justice information, promotes enterprise information technology architecture for an integrated criminal justice information sharing, and collaborates with stakeholders to develop, establish and maintain a governance structure.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Criminal History Systems Board	5,244	76	5,320	12,505

[www.mass.gov/cjis](http://www.mass.gov/cjis)

***Budgetary Direct Appropriations*** **2,244,000**

CRIMINAL JUSTICE INFORMATION SERVICES

8000-0110 For the operation of the department of criminal justice information services 2,244,000

***Retained Revenue*** **3,000,000**

CORI RETAINED REVENUE

8000-0111 For the operation of the public safety information system and the criminal records review board within the department of criminal justice information services, which may expend for the operation of the office an amount not to exceed \$3,000,000 from fees for services provided by the office; provided, that funding from this item may be retained and expended from fees charged and collected under section 172A of chapter 6 of the General Laws; provided further, that funding from this item may be used to assist ex-offenders in obtaining and maintaining employment and to provide education and assistance regarding criminal records as specified in said section 172A of said chapter 6, and that the commissioner of the department of criminal justice information services may make funds from this item available for a competitive grant process to provide such assistance, training and education; provided further, that for the purposes of accommodating discrepancies between the receipt of retained revenue and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate as reported in the state accounting system; and provided further, that any unexpended funds in this item shall not revert but shall be made available for the purposes of this item until June 30, 2015 3,000,000

**Trust Spending** **76,151**

CRIMINAL OFFENDER RECORD INFORMATION ONLINE

8000-0149 76,151

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**Department of Correction**

The Massachusetts Department of Correction's mission is to promote public safety by managing offenders while providing care and appropriate programming in preparation for successful re-entry into the community.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Correction	569,780	8,121	577,900	12,410

<http://www.mass.gov/doc>

**Budgetary Direct Appropriations** **565,179,615**

DEPARTMENT OF CORRECTION FACILITY OPERATIONS

8900-0001 For the operation of the commonwealth's department of correction; provided, that the department of correction may expend \$412,000 for the operation of the Western Massachusetts Regional Women's Correctional Center; and provided further, that the department of correction may expend \$412,000 to transfer male inmates with less than 2 years left on their sentence to the Hampden sheriff's department 561,527,475

PRISON INDUSTRIES AND FARM SERVICES PROGRAM

8900-0010 For the operation of the prison industries and farm services programs; provided, that the commissioner of correction or designee shall determine the cost of manufacturing motor vehicle registration plates and certify to the comptroller the amounts to be transferred from the Commonwealth Transportation Fund to the General Fund 3,102,001

RE-ENTRY PROGRAMS

8900-1100 For re-entry programs at the department of correction intended to reduce recidivism rates 550,139

**Intragovernmental Service Fund** **8,050,000**

CHARGEBACK FOR PRISON INDUSTRIES AND FARM PROGRAM

8900-0021 For costs related to the production and distribution of products produced by the prison industries and farm programs, and for the costs of services provided by inmates  
Intragovernmental Service Fund ... 100% 8,050,000

**Retained Revenue** **4,599,999**

PRISON INDUSTRIES RETAINED REVENUE

8900-0011	The department of correction may expend for the prison industries and farm services programs an amount not to exceed \$3,600,000 from revenues collected from the sale of products from those programs	3,600,000
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REIMBURSEMENT FROM HOUSING FEDERAL INMATES RETAINED REVENUE

8900-0045	The department of correction may expend for the operation of the department, including personnel-related expenses, an amount not to exceed \$1,000,000 from federal inmate reimbursements; provided, that \$900,000 from those reimbursements shall not be available for expenditure and shall be deposited in the General Fund prior to the retention by the department of any reimbursements; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	1,000,000
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<b><i>Trust Spending</i></b>	<b>70,625</b>
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INMATE WORKCREW EXPENDABLE TRUST

8900-0081		43,052
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DIVISION OF EDUCATION - HABITAT SALES

8900-2495		14,403
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INMATE PROGRAM FUND

8900-9000		13,170
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***Department of Fire Services***

The mission of the Department of Fire Services is, through coordinated training, education, prevention, investigation, and emergency response, to provide the citizens of Massachusetts with the ability to create safer communities; to assist and support the fire service community in the protection of life and property; to promote and enhance firefighter safety; and to provide a fire service leadership presence in the Executive Office of Public Safety and Security in order to direct policy and legislation on all fire related matters.

	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Fire Services	16,695	541	17,236	18,469

<http://www.mass.gov/dfs>

<b><i>Budgetary Direct Appropriations</i></b>	<b>16,686,873</b>
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DEPARTMENT OF FIRE SERVICES ADMINISTRATION

8324-0000	<p>For the administration of the department of fire services, including the state fire marshal's office, the hazardous materials emergency response program, the board of fire prevention regulations, under section 4 of chapter 22D of the General Laws, the expenses of the fire safety commission, and the Massachusetts firefighting academy, including the Massachusetts fire training council certification program, municipal and non-municipal fire training, and expenses of the council; provided, that \$1,200,000 shall be allocated by the department for Student Awareness Fire Education; provided further, that \$100,000 shall be allocated by the department for Critical Incident Stress Management; provided further, that \$100,000 shall be allocated by the department for Critical Incident Stress Management Residential Services; provided further, that \$1,296,000 shall be allocated by the department for the commonwealth's Hazardous Material Response Teams; provided further, that notwithstanding any general or special law to the contrary, 100 per cent of the amount appropriated in this item for the administration of the department of fire services, the state fire marshal's office, the Massachusetts firefighting academy, critical incident stress programs, and the associated fringe benefits costs of personnel paid from this item for these purposes shall be assessed upon insurance companies writing fire, homeowners multiple peril, or commercial multiple peril policies on property situated in the commonwealth, and paid within 30 days after receiving notice of this assessment from the commissioner of insurance; provided further, that notwithstanding any general or special law to the contrary, 100 per cent of the amount appropriated in this item for the operation of the hazardous materials emergency response program and the associated fringe benefits costs of personnel paid from this item for these purposes shall be assessed upon insurance companies writing commercial multiple peril, non-liability portion policies on property situated in the commonwealth and commercial auto liability policies as referenced in line 5.1 and line 19.4 respectively, in the most recent annual statement on file with the commissioner of insurance; and provided further, that no more than 10 per cent of the amount designated for the arson prevention program shall be expended for the administrative cost of the program</p>	16,686,873
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<b>Federal Grant Spending</b>	<b>24,000</b>
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NATIONAL FIRE ACADEMY STATE FIRE TRAINING PROGRAM

8324-1505	<p>For the purposes of a federally funded grant entitled, National Fire Academy State Fire Training Program</p>	24,000
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<b>Retained Revenue</b>	<b>8,500</b>
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DEPARTMENT OF FIRE SERVICES RETAINED REVENUE

8324-0304	<p>The department of fire services may expend for the purposes of enforcement and training an amount not more than \$8,500 from revenue generated under chapter 148A of the General Laws and sections 8 and 9 of chapter 304 of the acts of 2004</p>	8,500
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<b>Trust Spending</b>	<b>516,662</b>
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MASSACHUSETTS FIRE ACADEMY TRUST FUND

8324-0160		380,413
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FIRE PREVENTION AND PUBLIC SAFETY FUND

8324-0179 13,000

HAZARDOUS MATERIALS EMERGENCY MITIGATION RESPONSE RECOVERY

8324-1010 123,249

**Department of Public Safety**

The Massachusetts Department of Public Safety's mission is to reduce the risk to life and property by promoting safety in the design, construction, installation, inspection, operation, repair and alteration of boilers, pressure vessels, elevators, buildings and amusement devices. The Department of Public Safety seeks to ensure the safe ingress to and egress from all new and existing buildings for persons with physical disabilities as well as promote safety through inspections, licensing, regulatory compliance and implementation of programs for continuing education of all license programs. The Department licenses, certifies, registers or otherwise approves individuals and/or parties involved in a wide variety of areas. Educating license holders and others assists with the proper understanding and implementation of all Department regulations and helps reduce the number of complaints received relating to the varied programs.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Public Safety	11,886	199	12,085	26,654

<http://www.mass.gov/dps>

**Budgetary Direct Appropriations** **4,594,435**

DEPARTMENT OF PUBLIC SAFETY AND INSPECTIONS

8311-1000 For the operation of the department of public safety, including the division of inspections 4,594,435

**Retained Revenue** **7,291,752**

DEPARTMENT OF PUBLIC SAFETY INSPECTION AND TRAINING

8315-1020 The department of public safety may expend for the operation of the department and for state building code training and education materials an amount not to exceed \$5,996,573 from fees charged for training and for elevator and amusement park inspections under sections 62 and 62A of chapter 143 of the General Laws, and section 205A of chapter 140 of the General Laws; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 5,996,573

BOILER INSPECTION

8315-1022 For the department of public safety, which may expend an amount not to 1,200,000

exceed \$1,200,000 in revenues collected from fees for issuance of boiler and pressure vessel certificates and inspections; provided, that funds shall be expended for the operation of the department and for the purposes of addressing the existing boiler and pressure vessels inspection backlog; provided further, that funds shall be expended for hiring additional engineering inspectors or engineers; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system

BUILDING CODE TRAINING

8315-1025 For the department of public safety, which may collect and expend an amount not to exceed \$95,180 to provide state building code training and courses for instruction; provided, that the agency may charge fees for the classes and educational materials associated 95,180

**Trust Spending 199,133**

BOXERS FUND PAYMENTS

4161-0002 1,260

OPEN TRENCHES AND EXCAVATIONS; REGULATIONS; FINES

8311-2872 1,500

STATE ATHLETIC COMMISSION FUND ADMIN

8315-1032 64,890

MASSPORT ASSIGNED STATE BUILDING INSPECTOR EXPENDABLE TRUST

8315-4161 131,483

**Department of State Police**

The Massachusetts State Police is the principal statewide law enforcement agency in the Commonwealth. The Massachusetts State Police, in partnership with local communities, is dedicated to providing quality policing directed at achieving safer roadways and reducing crime through investigations, education and patrol services and by providing leadership and resources during natural disasters, civil disorders and critical incidents.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of State Police	316,615	48,206	364,821	33,614

<http://www.mass.gov/msp>

**Budgetary Direct Appropriations 283,420,810**

STATE POLICE CRIME LABORATORY

8000-0106 For the operation and related costs of the state police crime laboratory 20,755,463

NEW STATE POLICE CLASS

8100-0515 For the estimated expenses of hiring, equipping and training state police recruits to maintain the strength of the state police 3,930,509

DEPARTMENT OF STATE POLICE

8100-1001 For the operation of the department of state police including overtime costs; provided, that the department shall expend funds from this item for the purposes of maximizing federal grants for the operation of a counter-terrorism unit; and provided further, that funds from this item may be used for the administration of budgetary, procurement, fiscal, human resources, payroll and other administrative services of the municipal police training committee and the department of criminal justice information services 258,314,838

UMASS DRUG LAB

8100-1005 For the analysis of narcotic drug synthetic substitutes, poisons, drugs, medicines and chemicals at the University of Massachusetts medical school in order to support the law enforcement efforts of the district attorneys, the state police and municipal police departments 420,000

**Federal Grant Spending 10,084,042**

REGION 1 TRAINING ACADEMY MOTOR CARRIER

8100-0209 For the purposes of a federally funded grant entitled, Region 1 Training Academy Motor Carrier 62,246

FEDERAL MOTOR CARRIER SAFETY ASSISTANCE

8100-0210 For the purposes of a federally funded grant entitled, Federal Motor Carrier Safety Assistance 548,832

FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION VAN PASSENGER

8100-0212 For the purposes of a federally funded grant entitled, Federal Motor Carrier Safety Admin Motorcoach Van Passenger 50,001

FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION FY12

8100-2010 For the purposes of a federally funded grant entitled, Federal Motor Carrier Safety Administration FFY02 3,083,164

FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION FFY12 - PRISM

8100-2023 For the purposes of a federally funded grant entitled, Federal Motor Carrier Safety Administration FFY12 - Prism 334,887

NE STATE POLICE ADMINSTRS CONFERENCE - REGIONAL INVESTIGATION

## FY2014 Governor's Budget Recommendation

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8100-2058 For the purposes of a federally funded grant entitled, NE State Police Admins Conference - Regional Investigation 4,867,198

### INTERNET CRIME AGAINST CHILDREN CONTINUATION

8100-2640 For the purposes of a federally funded grant entitled, Internet Crimes Against Children Task Force Continuation 363,152

### CANNABIS ERADICATE/CONTROLLED SUBSTANCE

8100-9706 For the purposes of a federally funded grant entitled, Cannabis Eradicate/Controlled Substance 40,000

### 12 PAUL COVERDELL FORENSIC SCIENCE IMPROVEMENT

8100-9752 For the purposes of a federally funded grant entitled, 12 Paul Coverdell Forensic Science Improvement 35,761

### 12 DNA BACKLOG REDUCTION

8100-9753 For the purposes of a federally funded grant entitled, 12 DNA Backlog Reduction 698,801

***Intragovernmental Service Fund*** **34,919,375**

### CHARGEBACK FOR STATE POLICE DETAILS

8100-0002 For the costs of overtime associated with requested police details; provided, that for the purpose of accommodating discrepancies between the receipt of revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate thereof as reported in the state accounting system  
Intragovernmental Service Fund ... 100% 34,763,000

### CHARGEBACK FOR STATE POLICE TELECOMMUNICATIONS

8100-0003 For the costs associated with the use of the statewide telecommunications system for the maintenance of the system  
Intragovernmental Service Fund ... 100% 156,375

***Retained Revenue*** **33,194,500**

### PRIVATE DETAIL RETAINED REVENUE

8100-0006 The department of state police may expend for the costs of private police details, including administrative costs, an amount not to exceed \$27,500,000 from fees charged for those details; provided, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 27,500,000

### SPECIAL EVENT DETAIL RETAINED REVENUE

8100-0012 For the department of state police; provided, that the department may expend for the costs of security services provided by state police officers, including overtime and administrative costs, an amount not to exceed \$1,050,000 from fees charged for these services; and provided further, that notwithstanding any general or special law to the contrary, for the purpose of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system 1,050,000

FEDERAL REIMBURSEMENT RETAINED REVENUE

8100-0018 For the department of state police, which may expend an amount not to exceed \$4,501,500 for certain police activities provided pursuant to agreements authorized in this item; provided, that for fiscal year 2014, the colonel of state police may enter into service agreements with the commanding officer or other person in charge of a military reservation of the United States located in the Massachusetts Development Finance Agency, established in chapter 23G of the General Laws; provided further, that such agreements shall establish the responsibilities pertaining to the operation and maintenance of police services including, but not limited to: (1) provisions governing payment to the department for the cost of regular salaries, overtime, retirement and other employee benefits; and (2) provisions governing payment to the department for the cost of furnishings and equipment necessary to provide such police services; provided further, that the department may charge any recipients of police services for the cost of such services, as authorized by this item; provided further, that the department may retain the revenue so received and expend such revenue as necessary pursuant to this item to provide the agreed level of services; provided further, that the colonel may enter into service agreements as may be necessary to enhance the protection of persons, as well as assets and infrastructure located within the commonwealth, from possible external threat or activity; provided further, that such agreements shall establish the responsibilities pertaining to the operation and maintenance of police services including, but not limited to: (1) provisions governing payment to the department for the cost of regular salaries, overtime, retirement, and other employee benefits; and (2) provisions governing payment to the department for the cost of equipment necessary to provide such police services; provided further, that the department may charge any recipients of police services for the cost of such services, as authorized by this item; provided further, that the department may retain the revenue so received and expend such revenue as necessary pursuant to this item to provide the agreed level of services; provided further, that the colonel may expend from this item costs associated with joint federal and state law enforcement activities from federal reimbursements received therefore; and provided further, that notwithstanding any general or special law to the contrary, for the purposes of accommodating discrepancies between the receipt of retained revenues and related expenditures, the department may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue, estimate as reported in the state accounting system 4,501,500

TELECOMMUNICATIONS ACCESS FEE RETAINED REVENUE

8100-0020 For the department of state police, which may expend an amount not to exceed \$35,000 in fees charged for the use of the statewide telecommunications system for the maintenance of the system 35,000

## FY2014 Governor's Budget Recommendation

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### AUTO ETCHING FEE RETAINED REVENUE

8100-0101	For the department of state police, which may expend for the Governor's Auto Theft Strike Force an amount not to exceed \$108,000 from fees for services performed through the auto etching program and from assessments upon the insurance industry	108,000
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<b>Trust Spending</b>	<b>3,202,528</b>
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### STATE DNA DATABASE TRUST

8000-0104		302,528
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### FEDERAL FORFEITURE ACCOUNT

8100-4444		1,700,000
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### STATE FORFEITURE ACCOUNT

8100-4545		200,000
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### FIREARMS FINGERPRINT IDENTITY VERIFICATION

8100-4949		1,000,000
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### **Massachusetts Emergency Management Agency**

The Massachusetts Emergency Management Agency (MEMA) is the state agency with primary responsibility for ensuring the state's resilience to disasters. MEMA's staff of professional planners, communications specialists, operations managers and support personnel is committed to an all hazards approach to emergency management. By building and sustaining effective partnerships with federal, state and local government agencies and with the private sector - individuals, families, non-profits and businesses, MEMA ensures the Commonwealth's ability to rapidly recover from large and small disasters by assessing and mitigating hazards, enhancing preparedness, ensuring effective response and building the capacity to recover.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Massachusetts Emergency Management Agency	2,380	26,799	29,180	8,421

<http://www.mass.gov/mema>

<b>Budgetary Direct Appropriations</b>	<b>2,380,178</b>
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### MASSACHUSETTS EMERGENCY MANAGEMENT AGENCY

8800-0001	For the operation of the Massachusetts emergency management agency	1,639,908
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### NUCLEAR SAFETY PREPAREDNESS PROGRAM

8800-0100	For the nuclear safety preparedness program of the Massachusetts emergency management agency; provided, that the costs of the program,	442,104
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including fringe benefits and indirect costs, shall be assessed upon Nuclear Regulatory Commission licensees operating nuclear power generating facilities in the commonwealth; provided further, that the department of public utilities shall develop an equitable method of apportioning such assessments among such licensees; and provided further, that such assessments shall be paid during the current fiscal year as provided by the department

RADIOLOGICAL EMERGENCY RESPONSE PLAN EVALUATIONS

8800-0200	For the Radiological Emergency Response Program; provided, that the cost of the program, including associated fringe benefits and indirect costs, shall be assessed on electric companies in the commonwealth which own, in whole or in part, or purchase power from, nuclear power plants located outside the commonwealth whose nuclear power plant areas, as defined in section 2B of chapter 639 of the acts of 1950 include communities located within the commonwealth and shall be credited to the General Fund; provided further, that the department of public utilities shall develop an equitable method of apportioning such assessments among the licensees; provided further, that such assessments shall be paid during the current fiscal year as provided by the department; and provided further, that for the purposes of this item, "electric companies" shall mean all persons, firms, associations and private corporations which own or operate works or a distributing plant for the manufacture and sale or distribution and sale of electricity within the commonwealth, but shall not include municipalities or municipal light plants	298,166
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<b>Federal Grant Spending</b>	<b>22,875,000</b>
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FY09 SEVERE REPETITIVE LOSS - PROJECTS AND MANAGEMENT COSTS

8800-0011	For the purposes of a federally funded grant entitled, FY09 Severe Repetitive Loss - Projects and Management Costs	35,000
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FY08 LEGISLATIVE PRE-DISASTER MITIGATION

8800-0012	For the purposes of a federally funded grant entitled, FY08 Legislative Pre-Disaster Mitigation	50,000
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HAZARDOUS MATERIALS TRANSPORTATION ACT

8800-0042	For the purposes of a federally funded grant entitled, Hazardous Materials Transportation Act	350,000
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FLOOD MITIGATION ASSISTANCE PROGRAM

8800-0048	For the purposes of a federally funded grant entitled, Flood Mitigation Assistance Program	400,000
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HAZARD MITIGATION GRANT PROGRAM

8800-0064	For the purposes of a federally funded grant entitled, Hazard Mitigation Grant Program	5,000,000
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PRE-DISASTER MITIGATION

8800-0087	For the purposes of a federally funded grant entitled, Pre-Disaster Mitigation	500,000
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## FY2014 Governor's Budget Recommendation

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### MAY 2006 FLOODS - FEMA

8800-1642	For the purposes of a federally funded grant entitled, May 2006 Floods - FEMA	100,000
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### FY11 PRE-DISASTER MITIGATION COMPETITIVE PROJECTS

8800-1644	For the purposes of a federally funded grant entitled, FY11 Pre-Disaster Mitigation Competitive Projects	100,000
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### APRIL NOR'EASTER - FEMA

8800-1701	For the purposes of a federally funded grant entitled, April Nor'Easter - FEMA	100,000
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### DISASTER RECOVERY - DECEMBER 2008 ICE STORM - FEMA

8800-1813	For the purposes of a federally funded grant entitled, Disaster Recovery - December 2008 Ice Storm - FEMA	1,000,000
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### MARCH 10 FLOOD

8800-1895	For the purposes of a federally funded grant entitled, March 10 Flood	1,000,000
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### JANUARY 2011 SNOWSTORM

8800-1959	For the purposes of a federally funded grant entitled, January 2011 Snowstorm	100,000
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### JUNE 11 2011 TORNADOES STORMS

8800-1994	For the purposes of a federally funded grant entitled, June 1 2011 Tornadoes and Storms	5,000,000
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### 94 DISASTER MANAGEMENT GRANT PROGRAM

8800-1996	For the purposes of a federally funded grant entitled, 94 Disaster Management Grant Program	140,000
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### TROPICAL STORM IRENE

8800-4028	For the purposes of a federally funded grant entitled, Tropical Storm Irene	5,000,000
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### OCTOBER SNOW STORM

8800-4051	For the purposes of a federally funded grant entitled, October Snow Storm	4,000,000
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### **Trust Spending**

**3,924,462**

### INTERSTATE EMERGENCY MANAGEMENT ASSISTANCE COMPACT EXP TRUST

8800-0013		200,000
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### EMERGENCY MANAGEMENT ASSISTANCE TRUST

8800-0024		3,724,462
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**Military Division**

The Massachusetts National Guard's mission is to train, equip and provide joint service operational military forces that are capable of mobilizing and deploying in response to both federal and worldwide contingency operations. The National Guard provides military assistance to civil agencies during emergency operations within the Commonwealth and upon request through the Emergency Assistance Compact to other states. To ensure successful accomplishment of this mission, the Massachusetts National Guard must sustain a ready, reliable and robust joint and combined military team of Army, Air Force, federal and state civilian employees.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Military Division	17,245	54,378	71,623	1,400

<http://www.mass.gov/guard>

**Budgetary Direct Appropriations 15,845,219**

MILITARY DIVISION

8700-0001 For the operation of the military division, including the offices of the adjutant general and state quartermaster, the armories, the camp Curtis Guild rifle range and certain national guard aviation facilities; provided, that notwithstanding chapter 30 of the General Laws, certain military personnel in the military division may be paid salaries according to military pay grades 9,383,557

NATIONAL GUARD TUITION AND FEE WAIVERS

8700-1150 For reimbursement of the costs of the Massachusetts national guard tuition and fee waivers under section 19 of chapter 15A of the General Laws; provided, that no funds shall be distributed from this item prior to certification by the state and community colleges and the University of Massachusetts of the actual amount of tuition and fees waived for national guard members attending public institutions of higher education under section 19 of chapter 15A that would otherwise have been retained by the campuses, according to procedures and regulations adopted by the military division of the Massachusetts national guard; and provided further, that funds from this item may be expended through August 31, 2014 for the reimbursement of the tuition and fees waived for classes taken during the summer months 5,100,000

WELCOME HOME BONUS LIFE INSURANCE PREMIUM REIMBURSEMENT

8700-1160 For life insurance premiums under section 88B of chapter 33 of the General Laws 1,361,662

**Federal Grant Spending 52,427,755**

ARMY NATIONAL GUARD FACILITIES PROGRAM

8700-1001 For the purposes of a federally funded grant entitled, Army National Guard Facilities Program 21,281,970

ARMY NATIONAL GUARD ENVIRONMENTAL PROGRAM

## FY2014 Governor's Budget Recommendation

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8700-1002	For the purposes of a federally funded grant entitled, Army National Guard Environmental Program	3,251,776
ARMY NATIONAL GUARD SECURITY		
8700-1003	For the purposes of a federally funded grant entitled, Army National Guard Security	2,100,000
ARMY NATIONAL GUARD ELECTRONIC SECURITY		
8700-1004	For the purposes of a federally funded grant entitled, Army National Guard Electronic Security	240,000
ARMY NATIONAL GUARD COMMAND CONTROL, COMMUNICATNS & INFO MGT		
8700-1005	For the purposes of a federally funded grant entitled, Army National Guard Command Control, Communicatns & Info Mgt	438,500
ARMY NATIONAL GUARD SUSTAINABLE RANGES		
8700-1007	For the purposes of a federally funded grant entitled, Army National Guard Sustainable Ranges	1,004,784
ARMY NATIONAL GUARD ANTI-TERRORISM		
8700-1010	For the purposes of a federally funded grant entitled, Army National Guard Anti-Terrorism	113,000
AIR NATIONAL GUARD FACILITIES OPERATIONS AND MAINTENANCE		
8700-1021	For the purposes of a federally funded grant entitled, Air National Guard Facilities Operations and Maintenance	9,389,713
AIR NATIONAL GUARD ENVIRONMENTAL		
8700-1022	For the purposes of a federally funded grant entitled, Air National Guard Environmental	68,607
AIR NATIONAL GUARD SECURITY		
8700-1023	For the purposes of a federally funded grant entitled, Air National Guard Security	1,796,149
AIR NATIONAL GUARD FIRE PROTECTION		
8700-1024	For the purposes of a federally funded grant entitled, Air National Guard Fire Protection	2,801,254
AIR NATIONAL GUARD DISTRIBUTED LEARNING PROGRAM		
8700-1040	For the purposes of a federally funded grant entitled, Air National Guard Distributed Learning Program	385,044
STATE FAMILY PROGRAM ACTIVITIES		

8700-1041	For the purposes of a federally funded grant entitled, State Family Program Activities	96,977
NATICK NATIONAL GUARD READINESS CENTER		
8700-2001	For the purposes of a federally funded grant entitled, Natick National Guard Readiness Center	9,359,981
AIR NATIONAL GUARD SERVICES PROGRAM		
8700-3076	For the purposes of a federally funded grant entitled, Air National Guard Services Program	100,000
<b><i>Intragovernmental Service Fund</i></b>		<b>300,000</b>
CHARGEBACK FOR ARMORY RENTALS		
8700-1145	For the costs of utilities and maintenance associated with state armory rentals and related services Intragovernmental Service Fund ... 100%	300,000
<b><i>Retained Revenue</i></b>		<b>1,400,000</b>
ARMORY RENTAL FEE RETAINED REVENUE		
8700-1140	The military division may expend for the costs of national guard missions and division operations an amount not to exceed \$1,400,000 from fees charged for the non-military rental or use of armories and from reimbursements generated by national guard missions	1,400,000
<b><i>Trust Spending</i></b>		<b>1,650,000</b>
FRIENDS OF MASSACHUSETTS NATIONAL GUARD AND RESERVE FAMILIES		
8700-0143		1,150,000
NATIONAL GUARD ASSET FORFEITURE EXPENDABLE TRUST		
8700-2240		500,000

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***Municipal Police Training Committee***

The mission of the Municipal Police Training Committee (MPTC) is to set and enforce training standards for and to identify and meet the training needs of the municipal, University of Massachusetts and environmental police officers of the Commonwealth and to facilitate the delivery of up-to-date, state-of-the-art training and to document training. At the same time, the MPTC must be responsive to the needs of municipal and University of Massachusetts police departments, the Massachusetts Environmental Police and the communities they serve.

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**FY2014 Governor's Budget Recommendation**

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Municipal Police Training Committee	3,713	0	3,713	1,200

<http://www.mass.gov/mptc>

**Budgetary Direct Appropriations** **2,512,968**

MUNICIPAL POLICE TRAINING COMMITTEE

8200-0200 For the operation of veteran, reserve and in-service training programs conducted by the municipal police training committee 2,512,968

**Retained Revenue** **1,200,000**

MUNICIPAL RECRUIT TRAINING PROGRAM FEE RETAINED REVENUE

8200-0222 The municipal police training committee may expend for the cost of training for law enforcement personnel an amount not to exceed \$1,200,000 in fees charged for the training; provided, that the committee shall charge \$3,000 per recruit for the training; provided further, that the charge shall be paid in full prior to the start of training; provided further, that notwithstanding any general or special law to the contrary, for the purposes of accommodating discrepancies between the receipt of retained revenues and related expenditures, the committee may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate thereof, as reported in the state accounting system; and provided further, that any unexpended funds in this item shall not revert and shall be made available for the purposes of this item until June 30, 2015 1,200,000

**Office of the Chief Medical Examiner**

The Office of Chief Medical Examiner is responsible for investigating the cause and manner of death in violent, unexplained or suspicious deaths.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Office of the Chief Medical Examiner	10,064	0	10,064	2,571

[www.mass.gov/ocme](http://www.mass.gov/ocme)

**Budgetary Direct Appropriations** **7,493,682**

OFFICE OF THE CHIEF MEDICAL EXAMINER

8000-0105 For the operation of the office of the chief medical examiner 7,493,682

**Retained Revenue** **2,570,000**

CHIEF MEDICAL EXAMINER FEE RETAINED REVENUE

8000-0122	The office of the chief medical examiner may expend for the operation of the office an amount not to exceed \$2,570,000 from fees for services provided by the office; provided, that notwithstanding any general or special law to the contrary, for the purposes of accommodating timing discrepancies between the receipt of retained revenues and related expenditures, the office may incur expenses and the comptroller may certify for payment amounts not to exceed the lower of this authorization or the most recent revenue estimate, as reported in the state accounting system	2,570,000
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**Office of the Secretary of Public Safety and Security**

The Executive Office of Public Safety and Security oversees agencies, boards and commissions and implements policies and programs that provide for the Commonwealth's public safety and security.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Office of the Secretary of Public Safety and Security	30,875	153,771	184,646	0

<http://www.mass.gov/eops>

<b>Budgetary Direct Appropriations</b>	<b>30,874,649</b>
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WITNESS PROTECTION BOARD

8000-0038	For the operation of a witness protection program under chapter 263A of the General Laws	94,245
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SEXUAL ASSAULT EVIDENCE KITS

8000-0202	For the purchase and distribution of sexual assault evidence collection kits	86,882
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EXECUTIVE OFFICE OF PUBLIC SAFETY

8000-0600	For the office of the secretary, including the administration of the office of grants and research and the highway safety division, to provide matching funds for a federal planning and administration grant pursuant to 23 U.S.C. section 402; provided, that local police departments, sheriff departments, the department of state police, the department of correction and other state agencies, authorities and educational institutions with law enforcement functions as determined by the secretary that receive funds for the cost of replacement of bulletproof vests through the office of the secretary may expend without further appropriation such funds to purchase additional vests in the fiscal year in which they receive the reimbursements; provided further, that the office of the secretary shall, in consultation with the Massachusetts sheriffs' association, develop a report on recidivism rates for all pretrial, county sentenced and state sentenced inmates utilizing data provided by the department of correction and sheriff departments; provided further, that funds under this item may be expended by office of the secretary to facilitate the sheriffs, in consultation with the Massachusetts sheriffs' association, in determining a standardized definition of recidivism for Massachusetts sheriffs and analyzing relevant data to provide above required recidivism reporting; provided further, that the department shall submit these reports to the	2,180,554
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## FY2014 Governor's Budget Recommendation

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executive office for administration and finance, the house and senate committees on ways and means and the joint committee on public safety, on a quarterly basis starting October 1, 2013, due no later than 30 days after the last day of each quarter

### PUBLIC SAFETY INFORMATION TECHNOLOGY COSTS

8000-1700	For the provision of information technology services within the executive office of public safety and security	22,262,968
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### GANG PREVENTION GRANT PROGRAM

8100-0111	For the operation of the gang prevention grant program	6,250,000
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### **Federal Grant Spending**

**63,390,500**

### JUVENILE JUSTICE DELINQUENCY AND PREVENTION ACT

8000-4603	For the purposes of a federally funded grant entitled, Juvenile Justice Delinquency and Prevention Act	700,000
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### EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM

8000-4611	For the purposes of a federally funded grant entitled, Edward Byrne Memorial Justice Assistance Grant Program	4,000,000
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### STOP VIOLENCE AGAINST WOMEN FORMULA GRANT PROGRAM

8000-4620	For the purposes of a federally funded grant entitled, Stop Violence Against Women Formula Grant Program	3,000,000
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### STATE PRISONER RESIDENTIAL SUBSTANCE

8000-4624	For the purposes of a federally funded grant entitled, State Prisoner Residential Substance	112,000
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### JOHN JUSTICE GRANT

8000-4639	For the purposes of a federally funded grant entitled, John Justice Grant	150,000
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### STATE HOMELAND SECURITY GRANT PROGRAM

8000-4692	For the purposes of a federally funded grant entitled, State Homeland Security Grant Program	5,550,000
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### PROJECT SAFE NEIGHBORHOODS

8000-4693	For the purposes of a federally funded grant entitled, Project Safe Neighborhoods	150,000
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### EMERGENCY MANAGEMENT PERFORMANCE GRANT

8000-4694	For the purposes of a federally funded grant entitled, Emergency Management Performance Grant	9,500,000
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**BUFFER ZONE PROTECTION PROGRAM**

8000-4695	For the purposes of a federally funded grant entitled, Buffer Zone Protection Program	500,000
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**COMMUNITY ORIENTED POLICING SERVICES FFY07**

8000-4698	For the purposes of a federally funded grant entitled, Community Oriented Policing Services FFY07	25,000
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**CITIZEN CORPS PROGRAM**

8000-4699	For the purposes of a federally funded grant entitled, Citizen Corps Program	250,000
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**METROPOLITAN MEDICAL RESPONSE SYSTEM**

8000-4700	For the purposes of a federally funded grant entitled, Metropolitan Medical Response System	100,000
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**PORT SECURITY GRANT PROGRAM**

8000-4701	For the purposes of a federally funded grant entitled, Port Security Grant Program	5,500,000
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**INTEROPERABLE EMERGENCY COMMUNICATION GRANT PROGRAM**

8000-4702	For the purposes of a federally funded grant entitled, Interoperable Emergency Communication Grant Program	1,000,000
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**FY08 REGIONAL CATASTROPHIC GRANT PROGRAM**

8000-4703	For the purposes of a federally funded grant entitled, 08 Regional Catastrophic Grant Program	2,500,000
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**EMERGENCY MANAGEMENT PERFORMANCE GRANT**

8000-4705	For the purposes of a federally funded grant entitled, Emergency Management Performance Grant	6,816,000
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**EMERGENCY OPERATION CENTER**

8000-4706	For the purposes of a federally funded grant entitled, Emergency Operation Center	1,000,000
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**NON PROFIT SECURITY GRANT PROGRAM**

8000-4707	For the purposes of a federally funded grant entitled, Non Profit Security Grant Program	100,000
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**FY11 URBAN AREAS INITIATIVE GRANT**

8000-4794	For the purposes of a federally funded grant entitled, FY11 Urban Areas Initiative Grant	9,500,000
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**FY11 CITIZEN CORPS GRANT**

## FY2014 Governor's Budget Recommendation

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8000-4799 For the purposes of a federally funded grant entitled, FY11 Citizen Corps Grant 100,000

### STATE AGENCY PROGRAMS

8000-4804 For the purposes of a federally funded grant entitled, State Agency Programs 12,000,000

### FY06 ENFORCING UNDERAGE DRINKING LAWS

8000-4840 For the purposes of a federally funded grant entitled, Enforce Underage Drinking Laws 50,000

### FATALITY ANALYSIS REPORTING SYSTEM

8000-4841 For the purposes of a federally funded grant entitled, Fatality Analysis Reporting System 90,000

### CLICK IT OR TICKET NEXT GENERATION

8000-4842 For the purposes of a federally funded grant entitled, Click It Or Ticket Next Generation 50,000

### INCREASE NUMBER OF PROPERLY ENDORSED MORTORCYCLING

8000-4843 For the purposes of a federally funded grant entitled, Increase Number of Properly Endorsed Mortorcycling 50,000

### INCREASING BLOOD ALCOHOL CONCENTRATION REPORTING

8000-4844 For the purposes of a federally funded grant entitled, Increasing Blood Alcohol Concentration Reporting 60,000

### TEXTING BAN ENFORCEMENT

8000-4845 For the purposes of a federally funded grant entitled, Texting Ban Enforcement 137,500

### FY11 METROPOLITAN MEDICAL RESPONSE SYSTEM GRANT

8000-5700 For the purposes of a federally funded grant entitled, FY11 Metropolitan Medical Response System Grant 400,000

***Intragovernmental Service Fund*** **11,462,348**

### CHARGEBACK FOR PUBLIC SAFETY INFORMATION TECHNOLOGY COSTS

8000-1701 For the cost of information technology services provided to agencies of the executive office of public safety and security Intragovernmental Service Fund ... 100% 11,462,348

***Trust Spending*** **78,918,101**

### HIGHWAY SAFETY TRUST FUND

8000-0085	46,645
CIGARETTE FIRE SAFETY AND FIREFIGHTER PROTECTION ENFORCEMENT	
8000-0620	256,309
ENHANCED 911 FUND	
8000-0911	78,031,962
SPECIAL PUBLIC EVENTS	
8000-6612	173,736
JUVENILE ACCOUNTABILITY BLOCK GRANT TRUST	
8000-6613	409,449

**Parole Board**

The Parole Board identifies those parole eligible offenders for whom there is sufficient indication that confinement has served its purpose and sets the conditions of parole. The Parole Board strives to understand the concerns of victims and the general public and gives full consideration to these concerns when setting policy and making parole decisions.

	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Parole Board	18,882	119	19,001	800

<http://www.mass.gov/parole>

**Budgetary Direct Appropriations 18,281,884**

PAROLE BOARD		
8950-0001	For the operation of the parole board	18,066,925
VICTIM AND WITNESS ASSISTANCE PROGRAM		
8950-0002	For the victim and witness assistance program of the parole board under chapter 258B of the General Laws	214,959

**Retained Revenue 600,000**

PAROLEE SUPERVISION FEE RETAINED REVENUE		
8950-0008	The parole board may expend for the operation of the parole board's sex offender management program and the supervision of high-risk offenders an amount not to exceed \$600,000 from fees charged for parolee supervision	600,000

**Trust Spending 119,226**

PAROLE BOARD EXPENDABLE TRUST

8950-0009

119,226

***Sex Offender Registry Board***

The mission of the Sex Offender Registry Board is to promote public safety through educating and informing the public in order to prevent further victimization. This is accomplished through registering and classifying convicted sex offenders by risk of reoffense and degree of danger and disseminating the identifying information of those offenders who live, work and/or attend institutions of higher learning in the communities of the Commonwealth of Massachusetts.

Resource Summary (\$000)	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Sex Offender Registry Board	3,899	395	4,294	0

<http://www.mass.gov/sorb>

***Budgetary Direct Appropriations***

**3,899,033**

SEX OFFENDER REGISTRY BOARD

8000-0125	For the operation of the sex offender registry program including, but not limited to, the costs of maintaining a computerized registry system and the classification of persons subject to the registry; provided, that notwithstanding any general or special law to the contrary, the registration fee paid by convicted sex offenders under section 178Q of chapter 6 of the General Laws shall be retained and expended by the sex offender registry board	3,899,033
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***Trust Spending***

**395,366**

SEX OFFENDER REGISTRY BOARD EXPENDABLE TRUST

8000-0226

395,366

**Transportation**

**Fiscal Year 2014 Resource Summary (\$000)**

Department	FY2014 Budgetary Recommend- ations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Transportation	589,673	1,812,241	2,401,914	536,830
<b>TOTAL</b>	<b>589,673</b>	<b>1,812,241</b>	<b>2,401,914</b>	<b>536,830</b>

***Department of Transportation***

The mission of the Massachusetts Department of Transportation (DOT) is to deliver excellent customer service to people who travel in the Commonwealth, and to provide our nation's safest and most reliable transportation system in a way that strengthens our economy and quality of life.

Resource Summary (\$000)	FY2014 Budgetary Recommendations	FY2014 Federal, Trust, and ISF	FY2014 Total Spending	FY2014 Budgetary Non-Tax Revenue
Department of Transportation	589,673	1,812,241	2,401,914	536,830

<http://www.massdot.state.ma.us>

***Budgetary Direct Appropriations*** **589,673,153**

MASSACHUSETTS TRANSPORTATION TRUST FUND

1595-6368 For an operating transfer to the Massachusetts Transportation Trust Fund, established under section 4 of chapter 6C of the General Laws Commonwealth Transportation Fund ... 100% 239,713,136

COMMONWEALTH TRANSPORTATION FUND TRANSFER TO THE MBTA

1595-6369 For an operating transfer to the Massachusetts Bay Transportation Authority pursuant to clause (1) of subsection (d) of section 2ZZZ of chapter 29 of the General Laws Commonwealth Transportation Fund ... 100% 326,000,000

COMMONWEALTH TRANSPORTATION FUND TRANSFER TO REGIONAL TRANSIT

1595-6370 For an operating transfer to the regional transit authorities organized under chapter 161B of the General Laws or predecessor statutes under clause (2) of subsection (d) of section 2ZZZ of chapter 29 of the General Laws Commonwealth Transportation Fund ... 100% 15,000,000

MERIT RATING BOARD

1595-6379 For the operation of the motor vehicle insurance merit rating board, including the rent, related parking and utility expenses of the board; provided, that the amount appropriated in this item, and the associated fringe benefits, shall be borne by insurance companies doing motor vehicle insurance business within the commonwealth, under section 57A of chapter 6C of the General Laws; and provided further, that notwithstanding any general or special law to the contrary, no safe driver insurance plan shall require the payment of an unsafe driver point surcharge for the first offense for non-criminal motor vehicle traffic violations as described in chapter 90C of the General Laws Commonwealth Transportation Fund ... 100% 8,960,017

***Federal Grant Spending*** **66,283,544**

PERFORM REGISTRY INFORMATION SYSTEM MANAGEMENT

6440-0088 For the purposes of a federally funded grant entitled, Perform Registry 129,474

Information System Management

COMMERCIAL VEHICLE INFORMATION SYSTEMS AND NETWORKS

6440-0089	For the purposes of a federally funded grant entitled, Commercial Vehicle Information Systems and Networks	912,510
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COMMERCIAL DRIVER LICENSE INFORMATION SYSTEM ENHANCEMENT

6440-0090	For the purposes of a federally funded grant entitled, Commercial Driver License Information System Enhancement	2,353,222
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COMMERCIAL DRIVER LICENSE INFORMATION SYSTEM

6440-0097	For the purposes of a federally funded grant entitled, Commercial Driver License Information System	164,096
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SAFETY DATA IMPROVEMENT PROGRAM

6440-0098	For the purposes of a federally funded grant entitled, Safety Data Improvement Program	166,267
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REAL ID DEMONSTRATION GRANT PROGRAM

6440-0099	For the purposes of a federally funded grant entitled, Real ID Demonstration Grant Program	1,055,643
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NONURBANNIZD AREA FORMULA PROGRAM

6642-0018	For the purposes of a federally funded grant entitled, Nonurbanized Area Formula Program	4,663,930
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JOB ACCESS AND REVERSE COMMUTE

6642-0020	For the purposes of a federally funded grant entitled, Job Access and Reverse Commute	3,946,174
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METROPOLITAN TRANSPORTATION PLANNING

6642-0023	For the purposes of a federally funded grant entitled, Metropolitan Transportation Planning	4,500,723
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NEW FREEDOM OPERATING SEGMENT

6642-0026	For the purposes of a federally funded grant entitled, New Freedom Operating Segment	3,923,438
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SPECIAL NEEDS FOR ELDERLY INDIVIDUALS

6642-0049	For the purposes of a federally funded grant entitled, Special Needs for Elderly Individuals	3,384,998
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KNOWLEDGE CORRIDOR RESTORE VERMONTER PROJECT - ARRA

6643-0012	For the purposes of a federally funded grant entitled, Knowledge Corridor Restore Vermonter Project - ARRA	18,370,265
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## FY2014 Governor's Budget Recommendation

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### BOSTON SOUTH STATION EXPANSION

6643-0013	For the purposes of a federally funded grant entitled, Boston South Station Expansion	21,979,569
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### AIRPORT IMPROVEMENT PROGRAM

6830-3250	For the purposes of a federally funded grant entitled, Airport Improvement Program	733,235
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<b><i>Trust Spending</i></b>		<b>1,745,957,020</b>
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### MASS. DEPARTMENT OF TRANSPORTATION

6044-0000		756,789,574
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### MASSDOT 2010 SENIOR DEBT SERVICE

6105-0630		78,298,331
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### MASSDOT 2010 SENIOR DEBT SERVICE RESERVE

6105-0635		61,194
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### MASSDOT 2010 SENIOR A - 1

6105-0636		4,750,000
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### MASSDOT 2010 SENIOR A - 2

6105-0637		5,114,088
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### 2010 REFUNDING - SERIES A-1

6105-0640		2,181,250
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### 2010 REFUNDING - SERIES A-2

6105-0641		4,051,125
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### 2010 REFUNDING - SERIES A-3

6105-0642		4,410,138
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### 2010 REFUNDING - SERIES A-4

6105-0643		4,410,138
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### 2010 REFUNDING - SERIES A-5

6105-0644		4,410,138
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### 2010 REFUNDING - SERIES A-6

6105-0645	4,410,138
2010 REFUNDING - SERIES A-7	
6105-0646	4,711,500
2010 REFUNDING - SERIES B SUBORDINATE DEBT SERVICE	
6105-0647	13,005,438
2010 REFUNDING - SERIES A SUBORDINATE DEBT SERVICE RESERVE	
6105-0648	17,774
MHS OPERATING ACCOUNT	
6106-0620	98,519,400
MHS CAPITAL REINVESTMENT ACCOUNT	
6106-0650	76,000,000
MHS GENERAL ACCOUNT	
6106-0660	10,800,000
WT OPERATING ACCOUNT	
6107-0520	94,851,478
DOT - WT 2011 SERIES A D S	
6107-0531	343,750
DOT - WT 2011 SERIES B D S	
6107-0532	20,070,209
WT CAPITAL REINVESTMENT ACCOUNT	
6107-0550	34,000,000
WT WESTERN TURNPIKE GENERAL ACCOUNT	
6107-0560	600,000
MHS TOBIN CAPITAL	
6109-0002	1,548
TOBIN OPERATING	
6109-0920	6,374,438

## FY2014 Governor's Budget Recommendation

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TOBIN CAPITAL	
6109-0950	25,078,000
HIGHWAY ADMINISTRATION AND MAINTENANCE	
6110-0001	8,709,259
HIGHWAY PAYROLL	
6110-0002	12,028,042
PROMOTIONAL SERVICES	
6110-0003	22,887
TRANSPORATION INFRASTRUCTURE AND DEVELOPMENT FUND	
6110-0004	25,375,000
ARMENIAN HERITAGE PARK EXPENDABLE TRUST	
6110-0005	1,833,987
DEBT COLLECTION	
6110-3328	635,000
SNOW AND ICE CONTROL	
6110-7201	37,734,911
FOR THE PURCHASE OF BULK FUEL	
6110-7501	1,000,000
ACCIDENT RECOVERY	
6130-0300	85,000
WIRELESS TELECOMMUNICATIONS LEASING PROGRAM EXPENDABLE TRUST	
6130-0351	7,429
ROUTE 3 PROJECT EXPENDABLE TRUST	
6130-0352	806,275
SECTION 61 EXPENDABLE TRUST	
6130-3054	52,868
INTERNATIONAL REGISTRATION PLAN	
6200-0019	2,985,000

ADG PARCEL	
6200-0100	77,896
ADG PARCEL	
6200-0101	77,896
ADG PARCEL	
6200-0102	25,965
BIRNIE EST	
6200-0103	10,655
BIRNIE EST	
6200-0104	29,583
BMP CATI8	
6200-0108	29,124
BOSDEVGRP1	
6200-0109	27,231
BOSTON DEVELOPMENT GROUP CA/T PARCEL	
6200-0111	215,838
BTCLIBDEP	
6200-0116	275,262
CANA LEASE 4	
6200-0118	21,171
CARPENTER	
6200-0119	103,861
CATPAT CL	
6200-0120	1,107
CHARLTON	
6200-0121	994,605
CHI PRU 15	

## FY2014 Governor's Budget Recommendation

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6200-0122	77,896
CONT DEV A.B.	
6200-0123	43,377
COPLPLLSTH	
6200-0124	56,489
GATEWAY	
6200-0130	15,458
GULF OIL LTD PRTSHP	
6200-0133	1,165,403
HINES PERFM	
6200-0134	274,951
HINES/RAYMOND-CA/T 2A AND 2C	
6200-0135	237,611
KEN/FEN PCL	
6200-0137	218,475
KENMORE SQUARE	
6200-0138	49,975
MCDONALD'S CONSTRUCTION RESERVE ACCOUNT	
6200-0142	336,049
MCDONALD'S REINVESTMENT RESERVE ACCOUNT	
6200-0143	546,970
METRO PCS	
6200-0146	62,926
METROAWBAL	
6200-0149	6,244
MIG CORP	
6200-0153	14,167
NEW BOSTON DEVELOPMENT GROUP CA/T PARCEL 2	

6200-0154	161,796
NSTAR	
6200-0155	1,893
NSTARFEE	
6200-0157	12,833
PARCEL 24RT	
6200-0160	187,355
PARCEL 7 MER	
6200-0161	98,875
SIMPPERFM	
6200-0164	329,848
SIMPSON ONE	
6200-0165	40,782
SIMSEEL DE	
6200-0166	223,864
SYSIMPRVRT 146	
6200-0168	15,592
TECCE	
6200-0169	4,005
TMOBILE	
6200-0170	3,774
TRANSCORE-SOFTWARE	
6200-0171	198,870
TRINITY	
6200-0172	155,791
URBANCAT24	
6200-0173	108,008

## FY2014 Governor's Budget Recommendation

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VERIZON WIRELESS	
6200-0175	9,615
WGREEN LLC	
6200-0176	30,207
UNITED WE STAND SPECIAL PLATE FEES	
6200-0180	271,775
RED SOX SPECIAL PLATE FEES	
6200-0181	2,025,100
CAPE COD AND ISLANDS SPECIAL PLATE FEES	
6200-0182	1,118,235
OVERSIZED AND OVERDIMENSIONAL LOAD PERMIT	
6200-0184	100,000
CIVIL MOTOR VEHICLE INFRACTIONS REVENUE	
6200-0185	22,900,000
RIGHT OF WAY ESCROW ACCOUNT	
6200-0186	4,098,147
BOSTON METRO DISTRICT-ADVANCES	
6200-0187	26,775
SERTA-ADVANCES TO AUTHORITY PAYMENTS	
6200-0188	2,184,538
LOWELL REGIONAL TRANSIT AUTHORITY TO AUTHORITY PAYMENTS	
6200-0189	2,256,039
GREATER ATTLEBORO-TAUNTON REGIONAL TA	
6200-0190	3,336,508
BROCKTON TA-ADV TO AUTHORITY PAYMENTS	
6200-0191	2,504,707
MONTACHUSETTS RTA ADVANCES TO AUTHORITY	
6200-0192	1,822,244

MERRIMAC VALLEY RTA-ADVANCE TO AUTHORITY	
6200-0193	2,392,364
BERKSHIRE RTA ADVANCES TO AUTHORITY	
6200-0194	835,135
LOWER PIONEER VALLEY RTA-ADV TO AUTHOR	
6200-0195	7,020,535
WORCESTER REGIONAL TRANSIT AUTHORITY TO AUTHORITY PAYMENTS	
6200-0196	3,804,907
CAPE COD REGIONAL TRANSIT AUTHORITY TO AUTHORITY PAYMENTS	
6200-0197	1,564,956
CAPE ANN REGIONAL TRANSIT AUTHORITY TO AUTHORITY PAYMENTS	
6200-0198	459,098
FRANKLIN RTA-ADVANCES TO AUTHORITY	
6200-0199	452,815
MARTHA'S VINEYARD RTA ADVANCES TO AUTHORITY	
6200-0200	1,240,134
NANTUCKET RTA ADVANCE TO AUTHORITY	
6200-0201	344,317
METRO WEST TRANSIT AUTHORITY	
6200-0202	1,846,024
T-MOBIL - (FRAMINGHAM)	
6200-0203	1,303
ATANDT LEASE	
6200-0204	1,515
CLEARWIRE LEGACY (NEWTON)	
6200-0205	7,655
SOLAYENGY	

## FY2014 Governor's Budget Recommendation

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6200-0206	45,281
NEWTOWER - VERIZON	
6200-0207	2,534
ATANDT SAI COMMUNICATIONS	
6200-0208	1,484
IAG ESCROW ACCOUNT	
6200-0209	98,775,000
EFEKTA SUB DEP MHS	
6200-0210	50,248
EFEKTA RENT MHS	
6200-0211	904,818
EFEKTA FEE MHS	
6200-0212	78,140
FASTLANE BOND HOLDER	
6200-0214	1,254,282
SIMPSON CAT PARCEL 1	
6200-0216	1,003,580
AT&T / CRANE ROAD WINDSOR	
6200-0218	5,014
SIMPSON LEASE THIRD	
6200-0220	96,775
EFEKTA HOUSE PRE-CON RENT	
6200-0222	130,225
CAT PARCEL 7 BPMA	
6200-0224	10,013
CAT PARCEL 9 BOSTON MUSEUM	
6200-0225	50,077
CAT PARCEL 9 NORMANDY	

6200-0226	50,077
CAT PARCEL 9 UPTON	
6200-0227	50,077
CAT PARCEL 9 CRESSET	
6200-0228	50,077
CAT PARCEL 25 TRINITY	
6200-0229	25,026
CAT PARCEL 25 ARCHSTONE	
6200-0230	25,026
ROXBURY PAR9 MELNEA PARTNERS	
6200-0231	17,018
PAR2 ABC TRINITY 3RD PARTY	
6200-0232	24,937
PARCEL 2AB TRINITY SELECTION DEPOSIT	
6200-0233	200,162
PARCEL 10 MADISON TROPICAL 3RD PARTY	
6200-0234	17,014
PARCELS 2ABC TRINITY FINANCIAL PRE CONSTRUCTION RENT	
6200-0236	4,194
PARCELS 2ABC TRINITY FINANCIAL PERFORMANCE DEPOSIT	
6200-0237	300,000
EXTERNET SYSTEMS TUNNEL 3RD PARTY COSTS	
6200-0238	5,000
REGISTRY ADMINISTRATION	
6410-0001	46,333,297
REGISTRY LICENSE PRODUCTION	
6410-0011	5,759,718

## FY2014 Governor's Budget Recommendation

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ENVIRONMENTAL REGISTRATION PLATE	
6410-0012	15,000
MOTORCYCLE SAFETY PROGRAM	
6410-0016	165,586
SPECIAL PLATE COST OF ISSUANCE	
6410-0017	187,000
MERIT RATING BOARD ADMINISTRATION	
6410-0100	3,773,271
MERIT RATING BOARD RENT AND UTILITIES	
6410-0110	375,632
MERIT RATING BOARD INFORMATION TECHNOLOGIES	
6410-0120	4,550,143
MOTOR VEHICLE SAFETY INSPECTION	
6430-0054	17,413,475
CMVI HEARING FEE RETAINED REVENUE	
6430-0213	75,225
DRIVER LICENSING EXPENDABLE TRUST	
6430-3992	355,000
RAIL AND TRANSIT ADMINISTRATION - MTTF OPERATING TRUST FUND	
6610-0001	54,000,000
RAIL MANAGEMENT	
6610-0110	388,160
CERTAIN CONTRACT ASSISTANCE TO REGIONAL	
6612-0015	64,135,055
MASSACHUSETTS DEPARTMENT OF TRANSPORTATION	
6710-0100	5,043,662
TRANSPORTATION INFORMATION TECHNOLOGY COSTS	
6710-1700	5,000,000

CA/TUNNEL REPAIR AND MAINTENANCE

6730-0082 20,000,000

CIVIL RIGHTS DISPARITY STUDY BY MASSDOT

6730-1201 500,000

MASSDOT JOINT TRANSPORTATION PROJECTS WITH OTHER ENTITIES

6730-1202 400,000

AERONAUTICS ADMINISTRATION

6810-0003 581,292

## ***Operating Transfers***

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Operating Transfers .....	5-462
Administration and Finance .....	5-462
Education .....	5-463
Health and Human Services .....	5-463
Housing and Economic Development .....	5-464
Independents.....	5-464
Transportation .....	5-465



## Operating Transfers

SECTION 2E. The sums set forth in this section are hereby appropriated from the General Fund unless specifically designated otherwise in this section, for the purposes and subject to the conditions specified in this section and subject to the laws regulating the disbursement of public funds for the fiscal year ending June 30, 2013. The secretary of administration and finance shall allot up to the amount appropriated in this section under section 9B of chapter 29 of the General Laws. Notwithstanding section 19A of said chapter 29, any transfer under this section shall be made by the comptroller in accordance with a transfer schedule to be developed for each item by the comptroller, after consulting with the appropriate agency secretary, the secretary of administration and finance and the state treasurer. The schedule for each appropriation shall provide for transfers in increments considered appropriate to meet the cash flow needs of each fund and all transfers under the schedule shall be completed not later than June 30, 2013. Not later than 7 days after the schedules receive final approval by the comptroller, they shall be reported to the house and senate committees on ways and means.

### Fiscal Year 2014 Resource Summary (\$000)

Government Area	FY2014 Budgetary Recommendations
Administration and Finance	895,682,148
Education	1,500,000
Health and Human Services	486,574,470
Housing and Economic Development	25,000,000
Independents	0
Transportation	589,673,153
<b>Total</b>	<b>1,998,429,771</b>

### Administration and Finance

Group Insurance Commission	425,044,755
1599-6152      State Retiree Benefits Trust Fund	425,044,755

To provide for an operating transfer to the State Retiree Benefits Trust Fund, established pursuant to section 24 of chapter 32A of the General Laws

Office of the Secretary for Administration and Finance	470,637,393
1595-5819      Commonwealth Care Trust Fund	470,637,393

For an operating transfer to the Commonwealth Care Trust Fund, established under section 2000 of chapter 29 of the General Laws; provided, that up to \$30,000,000 shall be transferred from the Commonwealth Care Trust Fund to the Health Safety Net Trust Fund, established under section 36 of chapter 118G of the General Laws; provided further, that the hospital fiscal year 2014 payment amount to each hospital shall be funded by the Health Safety Net Trust Fund; provided further, that payments may be made either as safety net care payments under the commonwealth's section 1115 waiver, or as an adjustment to Title XIX service rate payments, or a combination thereof; provided further, that the executive office of health and human services and the health safety net office may use other federally permissible funding mechanisms available for public service hospitals, as defined by regulations set forth by the center for health information and analysis, to reimburse up to

\$70,000,000 of uncompensated care at the hospitals using sources distinct from the funding made available to the Health Safety Net Trust Fund; provided further, that the secretary of administration and finance, in consultation with the secretary of health and human services and the executive director of the commonwealth health insurance connector authority, shall on a quarterly basis evaluate the revenue needs of the health safety net program funded by the Health Safety Net Trust Fund and subsidized health insurance programs funded by the Commonwealth Care Trust Fund, and if necessary, transfer monies between these funds for the purpose of ensuring that sufficient revenues are available to support projected program expenditures; provided further, that the secretary of administration and finance shall report any transfers made between the Health Safety Net Trust Fund and the Commonwealth Care Trust Fund to the house and senate committees on ways and means and the joint committee on healthcare financing within 30 days of the proposed transfer; provided further, that pursuant to section 7A of chapter 176Q, the connector shall provide an annual health insurance wellness subsidy not to exceed 15 per cent of certain health insurance premiums for certain small groups as determined by the commonwealth health insurance connector authority; and provided further, that notwithstanding any general or special law to the contrary, the secretary of administration and finance may make available for the support of the subsidized health insurance programs until June 30, 2015, any amounts that would otherwise revert within the Commonwealth Care Trust Fund that are not needed to support the costs of these programs in fiscal year 2014

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## Education

Department of Higher Education		1,500,000
7066-0035	Science Technology Engineering and Mathematics Pipeline Fund	1,500,000

For the support of science, technology, engineering, and mathematics (STEM) initiatives through the STEM pipeline fund established in the 2006 Economic Stimulus Act

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## Health and Human Services

Office of the Secretary of Health and Human Services		486,574,470
1595-1067	Delivery System Transformation Initiatives Trust Fund	93,449,470

For an operating transfer to the Delivery System Transformation Initiatives Trust Fund established in section 35UU of chapter 10 of the General Laws; provided, that these funds shall be expended pursuant to the delivery system transformation initiative master plan and hospital-specific plans approved in the MassHealth section 1115 demonstration for fiscal year 2014; provided further, that all payments from the Delivery System Transformation Initiatives Trust Fund shall be subject to the availability of federal financial participation, shall be made only in accordance with federally approved payment methods, shall be consistent with federal funding requirements and all federal payment limits as determined by the secretary of health and human services and shall be subject to the terms and conditions of an agreement with the executive office of health and human services; and provided further, that the secretary of health and human services shall make payments of up to \$22,426,667 from the Delivery System Transformation Initiatives Trust Fund to the cambridge public health commission for fiscal year 2014 only after the cambridge public health commission transfers up to \$11,213,334 of its funds to the Delivery System Transformation Initiatives Trust Fund using a federally permissible source of funds which shall fully satisfy the non-

federal share of such payment

1595-1068 Medical Assistance Trust Fund 392,000,000

For an operating transfer to the MassHealth provider payment account in the Medical Assistance Trust Fund established in section 2QQQ of chapter 29 of the General Laws; provided, that these funds shall be expended only for services provided during state or federal fiscal year 2014, and no amounts previously or subsequently transferred into the Medical Assistance Trust Fund shall be expended on payments described in the section 1115 demonstration waiver for services provided during state fiscal year 2014, or payments described in the state plan for services provided during federal fiscal year 2014; provided further, that all payments from the Medical Assistance Trust Fund shall be subject to the availability of federal financial participation, shall be made only in accordance with federally-approved payment methods, shall be consistent with federal funding requirements and all federal payment limits as determined by the secretary of health and human services and shall be subject to the terms and conditions of an agreement with the executive office of health and human services; provided further, that the secretary of health and human services shall notify, in writing, the house and senate committees on ways and means and the house and the joint committee on healthcare financing for any increases in payments within 15 days; and provided further, that the secretary of health and human services shall make a payment of up to \$308,050,000 from the Medical Assistance Trust Fund to the Cambridge Public Health Commission for dates of service in state and federal fiscal year 2014 only after the Cambridge Public Health Commission transfers up to \$154,025,000 of its funds to the Medical Assistance Trust Fund using a federally permissible source of funds which shall fully satisfy the non-federal share of such payment

1595-1069 Health Information Technology Trust Fund 1,125,000

For an operating transfer to the Health Information Technology Trust Fund established in section 35RR of chapter 10 of the general laws; provided, that these funds shall be expended for operating costs for the health information exchange

**Housing and Economic Development**

Office of the Secretary of Housing and Economic Development 25,000,000

7002-0024 Massachusetts Life Sciences Center 25,000,000

For a transfer to the Massachusetts Life Sciences Investment Fund established by section 6 of chapter 23I of the General Laws

**Independents**

Office of the State Comptroller 0

1595-0074 Transfer from GF to the Workforce Competitiveness Trust Fund 0

1595-6126	Transfer to Health Care Workforce Fund	0
1595-6127	Transfer for New Bedford Chapter 70	0

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**Transportation**

	Department of Transportation	589,673,153
1595-6368	Massachusetts Transportation Trust Fund	239,713,136
	For an operating transfer to the Massachusetts Transportation Trust Fund, established under section 4 of chapter 6C of the General Laws Commonwealth Transportation Fund ... 100%	
1595-6369	Commonwealth Transportation Fund transfer to the MBTA	326,000,000
	For an operating transfer to the Massachusetts Bay Transportation Authority pursuant to clause (1) of subsection (d) of section 2ZZZ of chapter 29 of the General Laws Commonwealth Transportation Fund ... 100%	
1595-6370	Commonwealth Transportation Fund transfer to Regional Transit	15,000,000
	For an operating transfer to the regional transit authorities organized under chapter 161B of the General Laws or predecessor statutes under clause (2) of subsection (d) of section 2ZZZ of chapter 29 of the General Laws Commonwealth Transportation Fund ... 100%	
1595-6379	Merit Rating Board	8,960,017
	For the operation of the motor vehicle insurance merit rating board, including the rent, related parking and utility expenses of the board; provided, that the amount appropriated in this item, and the associated fringe benefits, shall be borne by insurance companies doing motor vehicle insurance business within the commonwealth, under section 57A of chapter 6C of the General Laws; and provided further, that notwithstanding any general or special law to the contrary, no safe driver insurance plan shall require the payment of an unsafe driver point surcharge for the first offense for non-criminal motor vehicle traffic violations as described in chapter 90C of the General Laws Commonwealth Transportation Fund ... 100%	

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Section 3..... 6-468



## Section 3

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Additional local aid information based on the Governor's FY2014 Budget for individual cities and towns is available at [www.mass.gov/dls/CHERRY/](http://www.mass.gov/dls/CHERRY/)

### SECTION 3.

Notwithstanding any general or special law to the contrary, for the fiscal year ending June 30, 2014 the distribution to cities and towns of the balance of the State Lottery Fund, as paid from the General Fund in accordance with clause (c) of the second paragraph of section 35 of chapter 10 of the General Laws, and additional funds from the General Fund shall be \$898,980,293 and shall be apportioned to the cities and towns in accordance with this section. In addition, \$31,010,197 shall be apportioned to cities and towns as annual formula local aid in accordance with this section and under section 18B 1/2 of chapter 58 of the General Laws.

Notwithstanding section 2 of chapter 70 of the General Laws or any other general or special law to the contrary, except for section 12B of chapter 76 and section 89 of chapter 71 of the General Laws, for fiscal year 2014 the total amounts to be distributed and paid to each city and town from item 7061-0008 of section 2 shall be as set forth in the following lists. The specified amounts to be distributed from said item 7061-0008 of said section 2 shall be in full satisfaction of the amounts due under chapter 70 of the General Laws.

For fiscal year 2014, the foundation budget categories for each district shall be calculated in the same manner as in fiscal year 2013; provided, that "pre-school enrollment" shall be defined as "the number of students enrolled in pre-school programs in a district"; and provided, further, that "foundation special education tuition" shall be defined as "the amount allotted within a district's foundation budget for special education tuition in any fiscal year. The value shall be the product of thirty five thousand eight hundred and forty eight dollars and the assumed tuition-out special education enrollment." The target local share shall be calculated using the same methodology used in fiscal year 2013. Preliminary local contribution shall be the municipality's fiscal year 2013 minimum required local contribution, increased or decreased by the municipal revenue growth factor; provided, that if a municipality's preliminary contribution as a percentage of its foundation budget is more than 2.5 percentage points lower than the target local share, the preliminary contribution shall be recalculated using the municipality's revenue growth factor plus 2 percentage point; and if a municipality's preliminary contribution as a percentage of its foundation budget is more than 7.5 percentage points lower than the target local share, the preliminary contribution shall be recalculated using the municipality's revenue growth factor plus 3 percentage points. Minimum required local contribution for fiscal year 2014 shall be, for any municipality with a fiscal year 2014 preliminary contribution greater than its fiscal year 2013 target contribution, the preliminary local contribution reduced by 100 per cent of the gap between the preliminary local contribution and the target local contribution; provided further, that no minimum required local contribution shall be greater than the district's foundation budget amount. Required local contribution shall be allocated among the districts to which a municipality belongs in direct proportion to the foundation budgets for the municipality's pupils at each of those districts. For fiscal year 2014, the "foundation aid increment" shall be the difference between: (a) the positive difference between a district's foundation budget and its required district contribution; and (b) prior year aid. Chapter 70 aid for fiscal year 2014 shall be the sum of prior year aid plus the foundation aid increment, if any, plus a minimum aid increment sufficient to ensure that no operating district receives an increase over fiscal year 2013 of less than twenty five dollars per student. No non-operating district shall receive chapter 70 aid in an amount greater than the district's foundation budget.

If there is a conflict between the language of this section and the distribution listed below, the distribution below shall control.

The department of elementary and secondary education shall not consider health care costs for retired teachers to be part of net school spending for any district in which such costs were not considered part of net school spending in fiscal year 1994.

No payments to cities, towns or counties maintaining an agricultural school pursuant to this section shall be made after November 30 of the fiscal year until the commissioner of revenue certifies acceptance of the prior fiscal year's annual financial reports submitted pursuant to section 43 of chapter 44 of the General Laws. Advance payments shall be made for some or all of periodic local reimbursement or assistance programs to any city, town, regional school district or independent agricultural and technical school that demonstrates an emergency cash shortfall, as certified by the commissioner of revenue and approved by the secretary of the executive office for administration and finance, pursuant to guidelines established by the secretary.

MUNICIPALITY	Chapter 70	Unrestricted General Government Aid	Annual Formula Local Aid
ABINGTON	7,374,819	1,663,872	71,143
ACTON	5,607,114	1,183,155	58,676
ACUSHNET	6,118,877	1,282,445	51,722
ADAMS	0	1,980,179	65,688
AGAWAM	18,685,747	3,116,003	148,025
ALFORD	0	11,869	1,102
AMESBURY	8,766,129	1,645,476	70,443
AMHERST	5,895,098	7,120,842	328,336
ANDOVER	10,123,581	1,511,358	71,261
AQUINNAH	0	1,976	1,271
ARLINGTON	9,768,439	6,416,909	128,254
ASHBURNHAM	0	672,501	29,485
ASHBY	0	370,356	15,646
ASHFIELD	93,763	157,026	8,085
ASHLAND	5,676,517	1,143,808	58,626
ATHOL	0	2,239,276	92,627
ATTLEBORO	34,539,121	4,825,303	229,741
AUBURN	8,826,103	1,448,540	71,704
AVON	991,607	586,234	15,951
AYER	0	640,306	32,370
BARNSTABLE	9,527,985	1,779,132	135,453
BARRE	12,894	760,702	32,807
BECKET	76,938	76,812	7,322
BEDFORD	4,488,627	970,936	32,323
BELCHERTOWN	13,419,341	1,439,150	73,120
BELLINGHAM	8,184,635	1,435,208	65,329
BELMONT	6,355,373	1,909,790	53,220
BERKLEY	3,856,463	514,636	27,551
BERLIN	433,030	170,528	8,624
BERNARDSTON	0	246,005	10,683
BEVERLY	7,519,969	4,939,380	141,925
BILLERICA	18,387,409	4,925,266	159,315
BLACKSTONE	84,476	1,157,715	47,797
BLANDFORD	42,976	107,398	5,358
BOLTON	0	166,996	11,730
BOSTON	209,416,338	160,247,301	2,132,151
BOURNE	4,825,238	1,239,900	69,451
BOXBOROUGH	1,320,503	213,357	12,177
BOXFORD	1,582,582	411,171	16,178

MUNICIPALITY	Chapter 70	Unrestricted General Government Aid	Annual Formula Local Aid
BOYLSTON	501,755	289,720	13,910
BRAINTREE	14,624,731	4,840,026	129,075
BREWSTER	918,344	333,966	28,845
BRIDGEWATER	36,207	3,080,637	141,596
BRIMFIELD	1,255,272	329,768	16,021
BROCKTON	158,684,855	17,709,906	736,744
BROOKFIELD	1,361,090	417,618	20,658
BROOKLINE	11,729,843	5,370,029	120,753
BUCKLAND	0	258,986	11,407
BURLINGTON	6,075,210	2,215,064	75,871
CAMBRIDGE	13,009,034	18,170,690	251,339
CANTON	5,319,333	1,813,812	58,365
CARLISLE	928,377	185,546	7,934
CARVER	9,688,439	1,235,613	56,908
CHARLEMONT	61,400	147,847	7,439
CHARLTON	21,683	1,225,401	57,718
CHATHAM	0	127,294	11,680
CHELMSFORD	10,218,568	4,292,998	113,354
CHELSEA	62,131,790	6,946,677	297,871
CHESHIRE	21,877	519,594	17,517
CHESTER	138,061	152,278	8,152
CHESTERFIELD	133,564	116,778	7,199
CHICOPEE	57,569,566	9,739,822	417,044
CHILMARK	0	3,172	1,019
CLARKSBURG	1,764,100	307,692	12,357
CLINTON	11,555,114	1,991,079	77,599
COHASSET	2,398,981	435,162	11,722
COLRAIN	0	244,112	8,575
CONCORD	3,155,701	981,239	26,558
CONWAY	602,804	151,164	7,037
CUMMINGTON	73,959	70,560	3,483
DALTON	273,826	962,329	32,571
DANVERS	6,864,504	2,409,018	95,944
DARTMOUTH	9,233,066	2,132,179	139,195
DEDHAM	4,691,143	2,765,940	76,175
DEERFIELD	1,050,593	406,247	19,453
DENNIS	0	460,638	42,100
DEVENS	308,558	0	0
DIGHTON	0	654,018	31,047
DOUGLAS	8,504,424	617,250	39,220

**FY2014 Governor's Budget Recommendation**

MUNICIPALITY	Chapter 70	Unrestricted General Government Aid	Annual Formula Local Aid
DOVER	823,140	162,705	5,328
DRACUT	18,561,348	2,963,502	142,074
DUDLEY	9,241	1,511,226	68,737
DUNSTABLE	0	208,034	9,581
DUXBURY	5,032,014	749,739	32,043
EAST BRIDGEWATER	10,286,980	1,266,059	63,777
EAST BROOKFIELD	147,008	245,303	10,821
EAST LONGMEADOW	10,131,559	1,224,304	65,214
EASTHAM	345,504	126,013	14,295
EASTHAMPTON	7,687,117	2,377,410	89,446
EASTON	9,437,566	1,852,233	82,880
EDGARTOWN	637,089	56,341	6,836
EGREMONT	0	53,367	4,533
ERVING	444,517	56,849	8,289
ESSEX	0	207,087	8,912
EVERETT	57,834,911	5,843,460	287,069
FAIRHAVEN	7,338,560	1,907,302	74,293
FALL RIVER	100,883,872	20,156,220	759,677
FALMOUTH	5,989,991	1,172,624	89,225
FITCHBURG	44,414,949	7,218,116	342,858
FLORIDA	534,967	42,100	4,616
FOXBOROUGH	8,529,315	1,259,852	55,289
FRAMINGHAM	36,020,378	8,415,039	306,687
FRANKLIN	27,268,996	2,089,973	110,221
FREETOWN	413,018	803,160	35,979
GARDNER	19,027,833	3,584,191	156,864
GEORGETOWN	5,218,658	605,914	28,753
GILL	0	205,734	8,343
GLOUCESTER	6,313,837	3,378,096	99,274
GOSHEN	96,436	67,666	7,340
GOSNOLD	16,514	1,774	257
GRAFTON	10,422,782	1,322,498	66,464
GRANBY	4,516,215	746,820	32,340
GRANVILLE	0	135,608	6,609
GREAT BARRINGTON	0	641,908	24,664
GREENFIELD	12,259,911	2,685,303	114,984
GROTON	0	655,194	31,105
GROVELAND	0	615,686	25,446
HADLEY	1,082,979	383,877	20,671
HALIFAX	2,684,967	767,798	35,177

MUNICIPALITY	Chapter 70	Unrestricted General Government Aid	Annual Formula Local Aid
HAMILTON	0	568,272	21,329
HAMPDEN	0	581,924	21,883
HANCOCK	196,865	47,754	6,617
HANOVER	6,644,878	1,791,747	42,333
HANSON	40,140	1,083,133	45,715
HARDWICK	0	393,766	23,034
HARVARD	1,790,781	1,252,599	17,328
HARWICH	0	364,333	34,209
HATFIELD	776,821	263,917	12,538
HAVERHILL	44,741,205	8,312,994	343,219
HAWLEY	35,277	36,605	2,413
HEATH	0	70,768	5,195
HINGHAM	6,741,174	1,334,874	41,079
HINSDALE	105,058	188,327	8,757
HOLBROOK	5,207,017	1,248,008	55,716
HOLDEN	0	1,617,133	71,987
HOLLAND	902,423	170,719	11,189
HOLLISTON	7,426,567	1,309,824	41,664
HOLYOKE	69,940,255	8,590,161	370,360
HOPEDALE	5,887,320	551,538	24,199
HOPKINTON	5,789,203	664,434	33,226
HUBBARDSTON	0	381,006	20,880
HUDSON	11,330,954	1,686,649	80,856
HULL	3,681,546	1,792,503	34,804
HUNTINGTON	258,511	291,504	11,261
IPSWICH	3,209,887	1,357,726	38,181
KINGSTON	4,159,865	811,851	48,735
LAKEVILLE	72,544	692,065	39,307
LANCASTER	3,810	808,506	38,780
LANESBOROUGH	742,373	291,766	14,884
LAWRENCE	160,649,102	16,607,385	922,783
LEE	1,964,224	526,757	26,131
LEICESTER	9,493,437	1,468,595	61,178
LENOX	1,170,805	450,838	14,473
LEOMINSTER	43,211,468	4,840,828	237,071
LEVERETT	274,741	150,975	6,770
LEXINGTON	11,116,705	1,296,276	53,995
LEYDEN	0	69,641	2,928
LINCOLN	1,037,490	575,819	9,047
LITTLETON	3,731,913	601,236	27,276

**FY2014 Governor's Budget Recommendation**

MUNICIPALITY	Chapter 70	Unrestricted General Government Aid	Annual Formula Local Aid
LONGMEADOW	4,417,393	1,181,711	48,565
LOWELL	131,064,607	21,304,471	824,594
LUDLOW	13,282,703	2,583,866	117,676
LUNENBURG	5,827,888	894,449	41,954
LYNN	133,928,774	18,937,447	715,606
LYNNFIELD	3,941,766	879,672	27,067
MALDEN	47,058,640	10,611,641	363,613
MANCHESTER	0	188,099	6,533
MANSFIELD	18,654,552	1,886,682	81,939
MARBLEHEAD	5,612,411	963,171	37,787
MARION	665,549	190,849	10,388
MARLBOROUGH	19,806,797	4,604,312	161,300
MARSHFIELD	13,856,393	1,832,321	79,285
MASHPEE	4,316,761	311,192	41,371
MATTAPOISETT	720,675	342,810	14,410
MAYNARD	4,024,015	1,328,816	40,892
MEDFIELD	5,797,959	1,226,088	26,530
MEDFORD	11,173,678	10,259,690	241,626
MEDWAY	10,058,594	1,031,914	44,504
MELROSE	7,765,724	4,337,759	98,145
MENDON	11,905	345,651	19,216
MERRIMAC	0	711,660	28,451
METHUEN	41,134,210	4,598,863	245,745
MIDDLEBOROUGH	17,376,809	2,085,358	120,017
MIDDLEFIELD	18,790	44,965	3,083
MIDDLETON	1,532,626	462,794	27,782
MILFORD	21,149,937	2,583,471	132,601
MILLBURY	7,177,867	1,497,772	65,181
MILLIS	4,818,095	885,551	30,200
MILLVILLE	50,939	344,528	16,820
MILTON	6,245,590	2,717,762	75,938
MONROE	76,276	15,552	1,517
MONSON	7,343,150	1,104,115	47,690
MONTAGUE	0	1,212,188	52,966
MONTEREY	0	39,107	3,370
MONTGOMERY	21,092	73,404	3,343
MOUNT WASHINGTON	33,076	25,355	686
NAHANT	497,433	319,586	8,693
NANTUCKET	2,264,572	67,017	17,567
NATICK	8,751,945	3,223,110	89,989

MUNICIPALITY	Chapter 70	Unrestricted General Government Aid	Annual Formula Local Aid
NEEDHAM	8,798,677	1,476,550	50,285
NEW ASHFORD	180,422	17,180	994
NEW BEDFORD	120,750,493	19,457,251	834,752
NEW BRAINTREE	0	111,657	4,408
NEW MARLBOROUGH	0	49,535	6,447
NEW SALEM	0	87,758	5,026
NEWBURY	0	438,043	17,331
NEWBURYPORT	3,921,061	2,157,204	48,524
NEWTON	21,043,339	4,970,628	145,375
NORFOLK	3,291,530	811,132	38,399
NORTH ADAMS	13,519,218	3,752,495	127,914
NORTH ANDOVER	7,491,437	1,733,403	86,557
NORTH ATTLEBOROUGH	19,827,086	2,433,430	117,549
NORTH BROOKFIELD	4,171,488	673,975	26,905
NORTH READING	6,625,625	1,501,819	42,491
NORTHAMPTON	7,023,229	3,717,624	133,929
NORTHBOROUGH	3,668,085	943,470	39,003
NORTHBRIDGE	15,261,313	1,785,406	79,750
NORTHFIELD	0	305,594	13,510
NORTON	12,328,775	1,757,961	82,918
NORWELL	3,649,643	906,717	22,595
NORWOOD	6,224,744	3,934,274	102,690
OAK BLUFFS	659,130	61,514	18,903
OAKHAM	0	162,277	8,887
ORANGE	5,158,879	1,366,932	62,708
ORLEANS	309,189	145,288	12,465
OTIS	0	30,765	5,331
OXFORD	10,209,599	1,739,231	72,857
PALMER	10,626,180	1,696,284	73,817
PAXTON	0	457,701	21,555
PEABODY	19,060,443	6,105,613	230,126
PELHAM	220,506	134,637	4,996
PEMBROKE	13,459,670	1,421,815	70,591
PEPPERELL	0	1,262,405	51,930
PERU	73,700	96,598	5,057
PETERSHAM	422,883	96,968	5,737
PHILLIPSTON	0	156,021	8,244
PITTSFIELD	40,490,797	7,302,808	281,297
PLAINFIELD	51,124	42,434	3,699
PLAINVILLE	2,788,481	641,687	31,050

**FY2014 Governor's Budget Recommendation**

MUNICIPALITY	Chapter 70	Unrestricted General Government Aid	Annual Formula Local Aid
PLYMOUTH	25,420,819	3,314,295	216,255
PLYMPTON	782,854	200,664	11,066
PRINCETON	0	250,431	11,281
PROVINCETOWN	266,166	116,995	6,250
QUINCY	26,307,285	16,150,797	412,668
RANDOLPH	15,593,096	4,396,472	179,982
RAYNHAM	0	961,807	52,099
READING	10,011,427	2,742,082	79,069
REHOBOTH	34,999	881,695	43,052
REVERE	48,828,188	8,700,801	350,752
RICHMOND	340,519	91,509	3,531
ROCHESTER	1,738,472	359,241	18,396
ROCKLAND	10,760,315	2,236,010	88,974
ROCKPORT	1,324,168	370,109	18,507
ROWE	117,227	3,332	919
ROWLEY	0	456,773	20,002
ROYALSTON	0	152,063	6,371
RUSSELL	168,815	208,900	10,762
RUTLAND	0	782,441	37,818
SALEM	21,413,628	5,834,758	211,761
SALISBURY	0	534,432	33,792
SANDISFIELD	0	29,310	4,417
SANDWICH	6,588,568	953,340	70,733
SAUGUS	6,120,061	3,103,116	110,677
SAVOY	503,779	98,003	3,920
SCITUATE	5,035,201	1,701,540	46,798
SEEKONK	5,421,544	1,040,834	51,307
SHARON	6,829,828	1,184,040	49,150
SHEFFIELD	14,011	206,062	12,278
SHELBURNE	4,688	221,196	10,755
SHERBORN	610,103	183,212	5,494
SHIRLEY	0	1,109,735	42,506
SHREWSBURY	18,897,213	2,356,176	121,378
SHUTESBURY	608,488	143,436	9,028
SOMERSET	5,457,789	1,297,302	78,593
SOMERVILLE	19,450,313	21,311,532	344,175
SOUTH HADLEY	7,676,404	2,209,062	97,136
SOUTHAMPTON	2,456,276	538,950	24,572
SOUTHBOROUGH	2,744,686	369,948	17,528
SOUTHBRIDGE	19,290,278	2,975,671	132,174

MUNICIPALITY	Chapter 70	Unrestricted General Government Aid	Annual Formula Local Aid
SOUTHWICK	0	1,066,935	42,805
SPENCER	16,939	1,913,110	68,503
SPRINGFIELD	297,948,053	32,020,398	1,612,211
STERLING	0	586,397	28,821
STOCKBRIDGE	0	84,313	5,391
STONEHAM	3,937,251	3,143,525	79,604
STOUGHTON	15,297,782	2,708,574	120,574
STOW	0	356,070	17,001
STURBRIDGE	3,102,975	655,305	34,936
SUDBURY	4,417,149	1,184,015	31,934
SUNDERLAND	837,013	427,516	19,951
SUTTON	5,201,680	660,269	30,285
SWAMPSCOTT	3,479,052	1,094,842	36,076
SWANSEA	7,053,610	1,588,632	71,669
TAUNTON	48,474,534	7,114,121	337,569
TEMPLETON	0	1,179,482	50,495
TEWKSBURY	12,566,614	2,354,150	110,630
TISBURY	602,082	82,939	6,552
TOLLAND	0	15,633	1,914
TOPSFIELD	1,062,914	518,803	15,022
TOWNSEND	0	1,111,624	44,856
TRURO	318,358	25,446	4,115
TYNGSBOROUGH	7,080,574	817,416	42,525
TYRINGHAM	44,083	10,739	1,180
UPTON	19,228	450,325	25,932
UXBRIDGE	9,075,639	1,163,833	59,185
WAKEFIELD	5,623,908	2,849,501	84,626
WALES	734,059	199,783	10,935
WALPOLE	7,904,684	2,155,690	75,926
WALTHAM	10,211,644	8,122,362	241,708
WARE	8,787,288	1,460,280	61,703
WAREHAM	12,416,757	1,673,496	102,375
WARREN	0	765,257	39,005
WARWICK	0	107,572	4,393
WASHINGTON	0	79,890	2,519
WATERTOWN	4,984,927	5,641,884	107,655
WAYLAND	4,286,437	764,572	20,761
WEBSTER	10,537,369	2,094,234	96,789
WELLESLEY	8,170,388	1,095,717	34,876
WELLFLEET	221,871	49,439	6,264

**FY2014 Governor's Budget Recommendation**

MUNICIPALITY	Chapter 70	Unrestricted General Government Aid	Annual Formula Local Aid
WENDELL	0	147,409	4,746
WENHAM	0	362,308	13,144
WEST BOYLSTON	2,864,560	673,921	35,397
WEST BRIDGEWATER	3,493,745	553,110	27,564
WEST BROOKFIELD	201,923	411,975	17,717
WEST NEWBURY	0	250,622	11,514
WEST SPRINGFIELD	21,201,183	3,031,424	157,145
WEST STOCKBRIDGE	0	82,240	4,159
WEST TISBURY	0	157,108	7,025
WESTBOROUGH	5,596,506	980,165	49,634
WESTFIELD	33,387,021	5,324,736	248,855
WESTFORD	16,189,875	1,797,543	59,689
WESTHAMPTON	450,895	122,567	6,301
WESTMINSTER	0	553,703	30,563
WESTON	3,816,077	316,391	8,669
WESTPORT	4,263,422	1,029,055	53,535
WESTWOOD	5,029,265	617,080	25,254
WEYMOUTH	27,200,610	7,375,304	240,067
WHATELY	268,495	113,512	6,760
WHITMAN	120,438	2,048,158	76,090
WILBRAHAM	0	1,237,908	55,170
WILLIAMSBURG	562,089	256,078	12,068
WILLIAMSTOWN	919,376	807,552	30,692
WILMINGTON	10,846,069	2,103,236	75,184
WINCHENDON	11,216,010	1,422,984	75,129
WINCHESTER	7,314,990	1,251,470	36,962
WINDSOR	47,536	87,837	4,141
WINTHROP	6,215,058	3,565,783	85,063
WOBURN	9,104,622	5,063,784	143,339
WORCESTER	223,217,770	35,150,026	1,351,731
WORTHINGTON	49,200	106,245	4,692
WRENTHAM	3,606,948	788,586	33,207
YARMOUTH	0	1,067,932	88,126
Total Municipal Aid	3,727,855,685	898,980,293	31,010,197

	Chapter 70
Regional School District	
ACTON BOXBOROUGH	7,251,545
ADAMS CHESHIRE	10,085,868

	Chapter 70
Regional School District	
AMHERST PELHAM	9,272,992
ASHBURNHAM WESTMINSTER	10,228,973
ASSABET VALLEY	4,023,025
ATHOL ROYALSTON	17,086,815
AYER SHIRLEY	7,959,636
BERKSHIRE HILLS	2,726,863
BERLIN BOYLSTON	1,036,398
BLACKSTONE MILLVILLE	10,637,769
BLACKSTONE VALLEY	8,253,509
BLUE HILLS	4,195,280
BRIDGEWATER RAYNHAM	20,403,671
BRISTOL COUNTY	2,973,677
BRISTOL PLYMOUTH	10,687,649
CAPE COD	2,063,837
CENTRAL BERKSHIRE	8,454,734
CHESTERFIELD GOSHEN	727,330
CONCORD CARLISLE	2,276,250
DENNIS YARMOUTH	6,631,264
DIGHTON REHOBOTH	12,390,096
DOVER SHERBORN	1,985,945
DUDLEY CHARLTON	23,744,648
ESSEX AGRICULTURAL	4,034,151
FARMINGTON RIVER	428,356
FRANKLIN COUNTY	3,509,995
FREETOWN LAKEVILLE	10,552,138
FRONTIER	2,744,045
GATEWAY	5,625,873
GILL MONTAGUE	6,037,994
GREATER FALL RIVER	14,991,362
GREATER LAWRENCE	20,295,306
GREATER LOWELL	23,559,427
GREATER NEW BEDFORD	24,054,644
GROTON DUNSTABLE	10,449,473
HAMILTON WENHAM	3,370,416
HAMPDEN WILBRAHAM	11,324,439
HAMPSHIRE	3,133,233
HAWLEMONT	609,877
KING PHILIP	7,169,225
LINCOLN SUDBURY	2,943,713
MANCHESTER ESSEX	2,856,343
MARTHAS VINEYARD	2,738,625

	Chapter 70
Regional School District	
MASCONOMET	4,823,099
MENDON UPTON	12,014,906
MINUTEMAN	2,155,902
MOHAWK TRAIL	5,874,669
MONOMOY	3,082,875
MONTACHUSETT	13,764,000
MOUNT GREYLOCK	1,680,908
NARRAGANSETT	9,698,744
NASHOBA	6,410,530
NASHOBA VALLEY	3,583,553
NAUSET	3,289,004
NEW SALEM WENDELL	629,107
NORFOLK COUNTY	1,186,462
NORTH MIDDLESEX	19,751,668
NORTH SHORE	1,803,233
NORTHAMPTON SMITH	893,210
NORTHBORO SOUTHBORO	2,974,671
NORTHEAST METROPOLITAN	8,944,100
NORTHERN BERKSHIRE	4,617,441
OLD COLONY	3,191,479
OLD ROCHESTER	2,619,391
PATHFINDER	5,413,937
PENTUCKET	12,703,902
PIONEER	4,029,136
QUABBIN	16,229,938
QUABOAG	8,480,036
RALPH C MAHAR	5,303,865
SHAWSHEEN VALLEY	6,344,518
SILVER LAKE	7,978,539
SOMERSET BERKLEY	3,857,686
SOUTH MIDDLESEX	4,088,383
SOUTH SHORE	3,982,200
SOUTHEASTERN	13,473,735
SOUTHERN BERKSHIRE	1,850,096
SOUTHERN WORCESTER	9,887,861
SOUTHFIELD	51,667
SOUTHWICK TOLLAND GRANVILLE	9,546,823
SPENCER EAST BROOKFIELD	13,364,614
TANTASQUA	7,870,643
TRI COUNTY	5,595,567
TRITON	8,297,096

	Chapter 70
Regional School District	
UPISLAND	804,147
UPPER CAPE COD	2,891,885
WACHUSETT	26,522,937
WHITMAN HANSON	24,226,276
WHITTIER	8,090,767

TOTALS	Chapter 70	Unrestricted General Government Aid	Annual Formula Local Aid
Total Regional Aid	669,401,615		
Total Municipal and Regional Aid	4,397,257,300	898,980,293	31,010,197

## ***Outside Sections***

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Section 4 - Index Governor's Councillors' Salaries .....	7-484
Section 5 - Commonwealth Education Innovation Trust Fund .....	7-484
Section 6 - Interagency Agreements between DDS and Medicaid or DMH.....	7-484
Section 7 - Adequate Revenues to Support Critical Investments.....	7-485
Section 8 - Eliminate Statutory Carry-Forward .....	7-495
Section 9 - Annual Formula Local Aid .....	7-495
Section 10 - Chapter 70 Minimum Local Contribution Waiver.....	7-496
Section 11 - Expand Bottle Bill .....	7-498
Section 12 - Health Safety Net Assessments .....	7-498
Section 13 - Construction and Disposition of Certain Public Housing Units .....	7-500
Section 14 - Housing Preservation and Stabilization Trust Fund .....	7-500
Section 15 - Extend Authority to Terminate and Renegotiate Leases .....	7-501
Section 16 - Allow Medical Security Trust Fund Deficit for Fiscal Year 2014 .....	7-501
Section 17 - Extend Substance Abuse Services Fund.....	7-502
Section 18 - Expenditures from Fiscal Year 2013 Surplus.....	7-502
Section 19 - Inspector General's Audits of Health Safety Net and MassHealth Program .....	7-502
Section 20 - Extend Authorization to Transfer Trust Balances.....	7-503
Section 21 - Funding for Payments to Certain Health Providers .....	7-503
Section 22 - Initial Gross Payments to Qualifying Acute Care Hospitals.....	7-503
Section 23 - MassHealth and CommCare Dental Coverage .....	7-504
Section 24 - Nursing and Resident Care Facility Base Year .....	7-504
Section 25 - Pension Cost of Living Adjustment .....	7-504
Section 26 - Stabilization Fund Transfers .....	7-505
Section 27 - Suspension of Tourism Formula.....	7-505
Section 28 - UMass/Health and Human Services Interagency Service Agreements.....	7-506
Section 29 - Nursing Facility Assessment.....	7-506

Section 30 - Study Commission on Dental Insurance ..... 7-507

Section 31 - Study Higher Education Efficiencies and Finance..... 7-507

Section 32 - Effective Date ..... 7-508

### **Section 4 - Index Governor's Councillors' Salaries**

**SECTION 4.**

(A) Section 3 of chapter 6 of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by inserting after the figure "\$26,025", in line 2, the following words: - , and an additional amount to be calculated by applying the adjustment percentage most recently ascertained by the governor pursuant to Article CXVIII of the Articles of Amendment to the Constitution to the preceding figure.

(B) This section shall take effect on January 7, 2015.

*Summary:*

This section increases or decreases the salaries of Governor's Councillors according to median household income changes, like the salaries of legislators and constitutional officers under present law, effective in January 2015 when the next calculation occurs.

### **Section 5 - Commonwealth Education Innovation Trust Fund**

**SECTION 5.**

Chapter 6A of the General Laws is hereby amended by inserting after section 14A the following section:-  
Section 14B. There shall be established and set up on the books of the commonwealth a separate fund to be known as the Commonwealth Education Innovation Trust Fund. The fund shall receive annual appropriations from the commonwealth, which may be supplemented by funds donate by the business and nonprofit communities, as well as individual donors and philanthropists. The secretary of education shall be the trustee of the fund and, in consultation with the boards and commissioners of early education and care, elementary and secondary education, and higher education, shall expend monies to foster innovation in policy, practice, research, professional development, and other capacity-building measures.

*Summary:*

This section establishes the Commonwealth Education Innovation Trust Fund, to allow the Secretary of Education to expend funds to promote educational innovation programs.

### **Section 6 - Interagency Agreements between DDS and Medicaid or DMH**

**SECTION 6.**

Chapter 19B of the General Laws is amended by striking out section 18 and inserting in place thereof the following section:-

Section 18. Subject to approval by the secretary of health and human services, the commissioner may enter into interagency agreements with the commissioner of mental health or the office of Medicaid for the coordinated regulation of or for the coordinated or joint management of certain services that are required or that must be provided by both the department of developmental services and the department of mental health or the office of Medicaid. Such an agreement may be entered where it is determined by the commissioners of the departments or the director of the office of Medicaid that the services require coordinated regulation to ensure development of substantially similar standards consistent with certain shared needs of mentally ill persons and persons with an intellectual disability or persons enrolled in the commonwealth's money follows the person demonstration or related waivers or that the services will be more efficiently and effectively provided by a single, unified management system than by two separate management systems. These services may

include, without limitation, transportation, laundry, data processing, certain services to mixed populations of mentally ill and mentally retarded individuals with common needs for care and treatment or to individuals who are diagnosed as both a person with an intellectual disability and mentally ill, research activities, program monitoring and services provided to persons enrolled in the commonwealth's money follows the person demonstration or related waivers. Coordinated regulation of these services may include, without limitation, such issues as restraint, charges for care, investigations and case management. Pursuant to these agreements, the department of developmental services may assume responsibility for the provision of these services to the department of mental health or the office of Medicaid. These agreements may delegate responsibility to the department of mental health to provide such services to the department of developmental services. These agreements may provide for the expenditure of appropriated funds consistent with such joint management service systems and may further provide for assignment of certain staff to such joint management service system. These agreements shall not, however, conflict with the department of developmental services' primary responsibility for persons with an intellectual disability regardless of whether those persons are also mentally ill or enrolled in the commonwealth's money follows the person demonstration or related waivers.

*Summary:*

This section authorizes EOHHS to enter into agreements with the Department of Disability Services so that DDS and EOHHS can jointly coordinate certain services that are provided for populations covered under the Money Follows the Person program and related Home and Community Based Waivers.

**Section 7 - Adequate Revenues to Support Critical Investments**

SECTION 7.

[Commonwealth Public Infrastructure Fund]

(A) Section 2ZZZ of chapter 29 of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by striking out subsection (c) and inserting in place thereof the following subsection:-

(c) (1) In addition to those revenues credited to the fund pursuant to subsection (a), there shall be credited to the fund all monies received by the commonwealth equal to the Commonwealth Transportation Fund Share of the receipts from sales, as defined by chapter 64H, and the Commonwealth Transportation Fund Share of the sales price of purchases, as defined by chapter 64I, from that portion of the taxes imposed under said chapters 64H and 64I as excises upon the sale and use at retail of tangible property or of services, and upon the storage, use or other consumption of tangible property, or of services, including interest thereon or penalties, but not including any portion of the taxes that constitute special receipts within the meaning of subsection (b $\frac{1}{2}$ ) of section 10 of chapter 152 of the acts of 1997.

(2) For the fiscal year beginning July 1, 2014, the Commonwealth Transportation Fund Share shall be 1.09 per cent; for the fiscal year beginning July 1, 2015, the Commonwealth Transportation Fund Share shall be 1.20 per cent; and beginning July 1, 2016, the Commonwealth Transportation Fund Share shall be 1.27 per cent.

(3) But if in a fiscal year the amount credited to the fund under this subsection is less than the Fund Minimum, then the comptroller shall transfer an amount from the General Fund to make up the difference between the amount credited to the fund and the Fund Minimum, not later than September 1 of the following fiscal year. For the fiscal year beginning July 1, 2014, the Fund Minimum shall be \$953,000,000; for the fiscal year beginning July 1, 2015, the Fund Minimum shall be \$1,082,000,000; for the fiscal year beginning July 1, 2016, the Fund Minimum shall be \$1,168,000,000; and beginning July 1, 2017, the Fund Minimum shall be the Fund Minimum from the previous fiscal year multiplied by the sum of 1 and the per cent change in the unadjusted consumer price index for all urban consumers for the Boston metropolitan area as determined by the Bureau of Labor Statistics of the United States Department of Labor for the preceding 12 months, as certified by the comptroller on March 1 of each year.

(B) Said chapter 29 of the General Laws is hereby amended by inserting after section 2GGGG the following section:-

Section 2HHHH. (a) There shall be established and set up on the books of the commonwealth a separate fund to be known as the Commonwealth Public Infrastructure Fund, which shall be used exclusively for financing public infrastructure.

(b) There shall be credited to the fund all monies received by the commonwealth from the taxes imposed under chapters 64H and 64I as excises upon the sale and use at retail of tangible property or of services, and upon

the storage, use or other consumption of tangible property, or of services, including interest thereon or penalties, but not including any portion of the taxes that constitute special receipts within the meaning of subsection (b1/2) of section 10 of chapter 152 of the acts of 1997.

(c) The comptroller shall transfer amounts credited to the fund immediately upon receipt and without encumbrance to the School Modernization and Reconstruction Trust Fund pursuant to section 35BB of chapter 10, to the Commonwealth Transportation Fund pursuant to section 2ZZZ of chapter 29, and to the Massachusetts Bay Transportation Authority State and Local Contribution Fund pursuant to section 35T of chapter 10. Notwithstanding subsection (a), the crediting of receipts to the fund shall not affect any obligation of the commonwealth related to notes issued by the Massachusetts Bay Transportation Authority, the School Building Authority, or the commonwealth, and the pledge of receipts from taxes imposed by chapters 64H and 64I to secure the payment of such notes under the circumstances described in the trust agreements relating to such notes is hereby ratified and confirmed in all respects and shall remain in full force and effect as long as any such notes remain outstanding in accordance with their terms and secured by pledged funds.

(d) Amounts in the fund after transfer pursuant to subsection (c) may be expended, subject to appropriation, for the expenses of the commonwealth, debt service or other obligations of the commonwealth, or for grants to municipalities and other public instrumentalities for design, construction, building, land acquisition, rehabilitation and other improvements to publicly-owned infrastructure including, but not limited to highways, streets, bridges, railways, mass transit, pedestrian and bicycle ways, airports, water treatment systems, wastewater systems, seaports, seawalls, breakwaters, dams, flood control systems, beach replenishment, parks, telecommunications systems, solid waste facilities, public education facilities, public health facilities, public housing, military and public safety facilities, and courts.

(C) Subsections (A) and (B) shall take effect on July 1, 2014.

[Repeal specific personal income tax expenditures]

(D) Paragraph (1) of subsection (a) of section 2 of chapter 62 of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by adding the following subparagraph:-

(J) (1) Amounts excluded under section 132(a)(5) of the Code. [Repeal of parking, T-pass and vanpool fringe benefits]

(2) Amounts excluded under section 121 of the Code. [Repeal of exemption of capital gains on home sales]

(3) Amounts paid by employers for premiums on accident and accidental death insurance and excluded under section 106(a) of the Code. [Repeal of exemption of employer-paid premiums on accident and accidental death insurance]

(4) Amounts paid for premiums on group-term life insurance and excluded under section 79 of the Code.

[Repeal of exemption of employer-paid premiums on group-term life insurance]

(5) Amounts excluded as workers' compensation under section 104 of the Code. [Repeal of exemption of workers' compensation benefits. Note: This repeal would include Item 1.010 (workers' compensation benefits) excludable under section 104 of the Code.]

(6) Amounts excluded under section 129 of the Code. [Repeal of exemption of dependent care expenses]

(7) Qualified foster care payments excluded under section 131 of the Code. [Repeal of certain foster care payments]

(8) The rental value of parsonages or rental allowances excluded under section 107 of the Code. [Repeal of exemption of rental value of parsonages or rental allowances to clergy]

(9) Qualified scholarships, fellowships and tuition reductions excluded under section 117 of the Code. [Repeal of the exemption of scholarship and fellowships]

(10) Amounts excluded under section 74(b) and (c) of the Code. [Repeal of exemption of certain prizes and awards]

(11) Amounts excluded under section 126 of the Code. [Repeal of exemption of certain cost-sharing payments related to water and soil conservation projects]

(12) The value of meals or lodging excluded under section 119 of the Code. [Repeal of exemption of meals or lodging furnished for the convenience of the employer]

(13) Earnings of Health Savings Accounts exempted under section 223(e) of the Code. [Repeal of exemptions of Health Savings Accounts earnings]

(14) Amounts excluded under section 137 of the Code. [Repeal of exemption of employer-provided adoption assistance]

(15) Amounts excluded under section 127 of the Code. [Repeal of exemption of employer-provided education assistance]

(16) Amounts excluded under section 132(a)(7) of the Code. [Repeal of employer-provided qualified retirement planning services]

(17) Amounts excluded under section 132(a)(8) of the Code. [Repeal of exemption of payments under a Department of Defense Homeowners Assistance Plan]

(18) Amounts excluded under section 108(f)(4) of the Code. [Repeal of exemption of discharge of indebtedness income for healthcare professionals]

(19) Earnings of Archer Medical Savings Accounts exempted under section 220(e) of the Code. [Repeal of exemptions of Archer Medical Savings Accounts earnings]

(E) Paragraph (2) of said subsection (a) of said section 2 of said chapter 62, as so appearing, is hereby amended by striking out subparagraph (G). [Repeal of exemption of income from the sale, lease or transfer of certain patents]

(F) Paragraph (3) of said subsection (a) of said section 2 of said chapter 62, as so appearing, is hereby amended by striking out subparagraph (B). [This relates to the repeal of exemption of capital gains on home sales above]

(G) Subsection (c) of said section 2 of said chapter 62, as so appearing, is hereby amended by striking out paragraph (2), (3) and (4). [(2) and (4): Repeal of the allowance of a deduction of capital losses against interest and dividend income; (3): Repeal of the 50% deduction for gains on the sale of collectibles]

(H) Paragraph (1) of subsection (d) of said section 2 of said chapter 62, as so appearing, is hereby amended by adding the following subparagraph:-

(Q)(1) The deduction allowed for certain contributions under section 223(a) of the Code. [Disallowance of the deduction for contributions to Health Savings Accounts]

(2) The deduction allowed for certain contributions under section 220(a) of the Code. [Disallowance of the deduction for contributions to Archer Medical Savings Accounts]

(3) The deduction for costs allowed under section 62(a)(20) and (e) of the Code. [Disallowance of the deduction for costs involved in unlawful discrimination suits]

(4) The deduction for certain costs under sections 62(a)(14) and 179A of the Code. [Disallowance of certain deductions for clean-fuel vehicles and certain refueling property]

(5) The election to expense certain capital costs allowable under sections 175 and 180 of the Code. [Disallowance of election to expense certain capital costs of farmers]

(6) No deduction shall be allowed for meals or entertainment expenses that are subject to the 50% limitation under section 274(n) of the Code. [Complete disallowance of the deduction for business meals or entertainment for which the 50% limitation applies for federal income tax purposes]

(I) Paragraph (a) of Part A of section 3 of said chapter 62, as so appearing, is hereby amended by striking out subparagraph (2). [Repeal of the deduction from Part A income for income of trustees, executors, or administrators set aside for charitable purposes]

(J) Paragraph (a) of Part B of said section 3 of said chapter 62 is hereby amended by striking out subparagraphs (2), (3) and (4), as so appearing. [(2): Repeal of the deduction from Part B income for income of trustees, executors, or administrators set aside for charitable purposes] [(3): Repeal of the \$2,000 deduction for employee contributions to social security and railroad retirement] [(4): Repeal of the \$2,000 deduction for employee contributions to public pension plans]

(K) Said paragraph (a) of said Part B of said section 3 of said chapter 62 is hereby amended by striking out subparagraphs (6), (7) and (8), as so appearing. [(6): Repeal of the deduction for interest (up to \$100 per taxpayer) on savings in Massachusetts banks] [(7): Repeal of the deduction for business-related child care expenses] [(8): Repeal of the deduction for dependents under 12]

(L) Said paragraph (a) of said Part B of said section 3 of said chapter 62 is hereby amended by striking out subparagraph (11), as so appearing. [Repeal of deduction for tuition expenses]

(M) Said paragraph (a) of said Part B of said section 3 of said chapter 62 is hereby amended by striking out subparagraph (13), as so appearing. [Repeal of charitable contributions deduction]

(N) Said paragraph (a) of said Part B of said section 3 of said chapter 62 is hereby amended by striking out

subparagraph (15), as so appearing. [Repeal of the commuter deduction]

(O) Paragraph (b) of said Part B of said section 3 of said chapter 62, as so appearing, is hereby amended by striking out subparagraph (3) and inserting in place thereof the following subparagraph:- (3) An exemption of one thousand dollars for each individual who qualifies for exemption as a dependent under section one hundred and fifty-one (c) of the Code, except that no such exemption shall be allowed for a dependent who earns income in excess of \$1,000 in the taxable year, nor for a dependent student has attained the age of 19 years. [Repeal of dependents exemption for certain individuals who qualify as dependents under section 151(c) of the Code]

(P) Said paragraph (b) of said Part B of said section 3 of said chapter 62, as so appearing, is hereby amended by striking out subparagraph (5). [Repeal of the deduction for adoption fees.]

(Q) Section 6 of said chapter 62, as so appearing, is hereby amended by striking out subsections (d) and (e). [(d): Repeal of the renewable energy source credit] [(e): Repeal of the lead paint credit]

(R) Said section 6 of said chapter 62, as so appearing, is hereby amended by striking out subsection (i). [Repeal of the septic system credit]

[Double the personal income tax exemption amounts]

(S) Subparagraph (1) of paragraph (b) of part B of section 3 of chapter 62 of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by striking out clause (A) and inserting in place thereof the following clause:-

(A) a personal exemption of \$8,800 for tax years beginning on or after January 1, 2014.

(T) Subparagraph (1A) of said paragraph (b) of said part B of said section 3 of said chapter 62, as so appearing, is hereby amended by striking out clause (A) and inserting in place thereof the following clause:-

(A) a personal exemption of \$13,600 for tax years beginning on or after January 1, 2014.

(U) Subparagraph (2) of said paragraph (b) of said part B of said section 3 of said chapter 62, as so appearing, is hereby amended by striking out clause (A) and inserting in place thereof the following clause:-

(A) a personal exemption of \$17,600 for tax years beginning on or after January 1, 2014.

[Uniform income tax rate of 6.25%]

(V) Subsection (c) of section 2 of chapter 62 of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by striking out paragraph (3).

(W) Said chapter 62 is hereby further amended by striking out section 4 and inserting in place thereof the following section:-

Section 4. Residents shall be taxed on their taxable income, and non-residents shall be taxed to the extent specified in section 5A on their taxable income, as follows:

(a) Part A taxable income shall be taxed at the rate of 6.25 per cent for tax years beginning on or after January 1, 2014.

(b) Part B taxable income shall be taxed at the rate of 6.25 per cent for tax years beginning on or after January 1, 2014.

(c) Part C taxable income shall be taxed at the rate of 6.25 per cent for tax years beginning on or after January 1, 2014.

(X) Section 183 of chapter 184 of the acts of 2002, as amended by section 44 of chapter 300 of the acts of 2002, is hereby repealed.

[Index the gas tax ]

(Y) The definition of "Tax per gallon" in section 1 of chapter 64A of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by striking out the first sentence and inserting in its place the following sentence: - "Tax per gallon", shall be 21 cents per gallon, adjusted at the beginning of each fiscal year, beginning by the percentage, if any, by which the Consumer Price Index for the preceding year exceeds the Consumer Price Index for the calendar year that ends before such preceding year. The Consumer Price Index

for any calendar year is as defined in section 1 of the Internal Revenue Code.

(Z) Subsection (Y) shall take effect as of July 1, 2013.

[Extend the sales tax to computer and data processing services and custom software]

(AA) Section 1 of chapter 64H of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by inserting after the definition of "Commissioner" the following definitions:

"Computer and data processing services," services that include but are not limited to programming, code writing, modification or testing of existing programs, feasibility studies and design and installation of computer systems that integrate computer hardware, software, and communication technologies, whether or not such services are rendered in connection with the development, creation or production of standardized or custom software, provision of access to software or the storage of data on the seller's or a third party's server including disaster recovery services, and bundled charges where the value of computer and data processing services is the predominant portion of the bundle and regardless of whether any report that is furnished or made available is unique to a particular customer. "Computer and data processing services" include provision of data or access to data that are sold together with a computer or data processing service, unless the purchase of the data or access to data is optional to the customer and the cost to the customer of the data or access to data is stated separately from any charge for computer or data processing service on the invoice provided to the customer at the time of purchase. Computer and data processing services do not include the provision of (1) downloaded books, music, videos or ringtones, or (2) computer facilities management services.

"Custom software," a software program prepared to the special order of a customer that is not standardized software, including modifications or enhancements to standardized software.

(BB) Said section 1 of said chapter 64H, as so appearing, is hereby amended by striking out, in line 240, the words "item: telecommunications services" and inserting in place thereof the following words:- items: telecommunications services, computer and data processing services.

(CC) Said section 1 of said chapter 64H, as so appearing, is hereby further amended by inserting after the word "standardized", in line 250, the following words:- or custom.

[Lower the sales/use tax rate to 4.5%]

(DD) Section 2 of chapter 64H of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by striking out, in line 3, the figure "6.25" and inserting in place thereof the following figure:- 4.5.

(EE) Section 2 of chapter 64I of the General Laws, as so appearing, is hereby amended by striking out, in line 6, the figure "6.25" and inserting in place thereof the following figure:- 4.5.

Tax security and utility corporations like other business corporations

(FF) Section 32B of chapter 63 of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by striking out, in line 60, the following words:- 38B or.

(GG) Sections 38B and 52A of said chapter 63 are hereby repealed.

(HH) Section 68C of said chapter 63, as appearing in the 2010 Official Edition, is hereby amended by striking out clauses (2) and (3).

[Modernize the sales factor for apportioning the corporate excise, by sourcing to where services are received]

(II) Paragraph (d) of section 2A of chapter 63 of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by striking our subparagraph (xi) and inserting in place thereof the following subparagraph:-

(xi) The numerator of the receipts factor includes receipts from sales other than sales of tangible personal property not otherwise apportioned under this section to the extent that those receipts would be included in the numerator of a corporation's sales factor as determined pursuant to subsection (f) of section 38. For purposes of the receipts sourced pursuant to this subparagraph, subparagraph (xiii) of subsection (d) shall not apply.

(JJ) Section 38 of said chapter 63, as amended by section 31 of chapter 194 of the acts of 2011, is hereby amended by striking out subsection (f) and inserting in place thereof the following subsection:-

(f) The sales factor is a fraction, the numerator of which is the total sales of the corporation in this

commonwealth during the taxable year, and the denominator of which is the total sales of the corporation everywhere during the taxable year. As used in this subsection, unless specifically stated otherwise, "sales" means all gross receipts of the corporation, including deemed receipts from transactions treated as sales or exchanges under the Code, except interest, dividends, and gross receipts from the maturity, redemption, sale, exchange or other disposition of securities, provided, however, that "sales" shall not include gross receipts from transactions or activities to the extent that a non-domiciliary state would be prohibited from taxing the income from such transactions or activities under the Constitution of the United States. Sales of tangible personal property are in this commonwealth if:-

1. the property is delivered or shipped to a purchaser within this commonwealth regardless of the f. o. b. point or other conditions of the sale; or
2. the corporation is not taxable in the state of the purchaser and the property was not sold by an agent or agencies chiefly situated at, connected with or sent out from premises for the transaction of business owned or rented by the corporation outside this commonwealth. "Purchaser", as used in clauses 1 and 2 of this paragraph, shall include the United States government.

Sales, other than sales of tangible personal property, are in this commonwealth if the corporation's market for the sale is in this commonwealth. The corporation's market for a sale is in the commonwealth and the sale is thus assigned to the commonwealth for the purpose of this section :-

1. in the case of sale, rental, lease or license of real property, if and to the extent the property is located in this commonwealth;
2. in the case of rental, lease or license of tangible personal property, if and to the extent the property is located in this commonwealth;
3. in the case of sale of a service, if and to the extent the service is delivered to a location in this commonwealth;
4. in the case of lease or license of intangible property, including a sale or exchange of such property where the receipts from the sale or exchange derive from payments that are contingent on the productivity, use, or disposition of the property, if and to the extent the intangible property is used in this commonwealth;
5. in the case of the sale of intangible property other than as referenced in clause 4. where the property sold is a contract right, government license or similar intangible property that authorizes the holder to conduct a business activity in a specific geographic area, if and to the extent that the intangible property is used in or otherwise associated with this commonwealth; but any sale of intangible property, not otherwise described in this clause or clause 4 is excluded from the numerator and the denominator of the sales factor.

For the purposes of this subsection: (1) in the case of sales other than sales of tangible personal property if the state or states to which sales should be assigned cannot be determined, it shall be reasonably approximated; (2) in the case of sales other than sales of tangible personal property if the taxpayer is not taxable in a state to which a sale is assigned, or if the state or states to which such sales should be assigned cannot be determined or reasonably approximated, such sale shall be excluded from the numerator and denominator of the sales factor; (3) the corporation shall be considered to be taxable in the state of the purchaser if tangible personal property is delivered or shipped to a purchaser in a foreign country; (4) sales of tangible personal property to the United States government or any agency or instrumentality thereof for purposes of resale to a foreign government or any agency or instrumentality thereof are not sales made in the commonwealth; (5) in the case of the sale, exchange or other disposition of a capital asset, as defined in paragraph (m) of section 1 of chapter 62, used in a taxpayer's trade or business, including a deemed sale or exchange of such asset, "sales" are measured by the gain from the transaction; (6) "security" means any interest or instrument commonly treated as a security as well as other instruments which are customarily sold in the open market or on a recognized exchange, including, but not limited to, transferable shares of a beneficial interest in any corporation or other entity, bonds, debentures, notes, and other evidences of indebtedness, accounts receivable and notes receivable, cash and cash equivalents including foreign currencies, and repurchase and futures contracts; (7) in the case of a sale or deemed sale of a business, the term "sales" does not include receipts from the sale of the business "goodwill" or similar intangible value, including, without limitation, "going concern value" and "workforce in place"; (8) to the extent authorized pursuant to the life sciences tax incentive program established by section 5 of chapter 23I, a certified life sciences company may be deemed a research and development corporation for purposes of exemptions under chapters 64H and 64I; and (9) in the case of a business deriving receipts from operating a gaming establishment or otherwise deriving receipts from conducting a wagering business or activity, income-producing activity shall be considered to be performed in this commonwealth to the extent that the location of wagering transactions or activities that generated the receipts is in this commonwealth.

Notwithstanding the foregoing, mutual fund sales as defined in subsection (m), other than the sale of tangible personal property, shall be assigned to this commonwealth to the extent that shareholders of the regulated investment company are domiciled in this commonwealth as follows:

(a) by multiplying the taxpayer's total dollar amount of sales of such services on behalf of each regulated investment company by a fraction, the numerator of which shall be the average of the number of shares owned by the regulated investment company's shareholders domiciled in this commonwealth at the beginning of and at the end of the regulated investment company's taxable year that ends with or within the taxpayer's taxable year, and the denominator of which shall be the average of the number of shares owned by the regulated investment company shareholders everywhere at the beginning of and at the end of the regulated investment company's taxable year that ends with or within the taxpayer's taxable year.

(b) A separate computation shall be made to determine the sale for each regulated investment company, the sum of which shall equal the total sales assigned to the commonwealth.

The commissioner shall adopt regulations to implement this subsection. This subsection shall not affect the commissioner's authority under subsection (j).

(KK) The third paragraph of said subsection (f) of said section 38 of said chapter 63, as appearing in subsection (II), is hereby amended by striking out clause (8).

(LL) Subsection (KK) shall take effect on December 31, 2018.

(MM) Subsection (II) shall not restrict the authority of the commissioner of revenue under subsection (j) of section 38 of chapter 63 of the General Laws, and shall not affect the continuing validity or application of regulations that were previously adopted under subsection (f) of said section 38 of said chapter 63.

[Repeal the FAS 109 deduction]

(NN) Section 95 of chapter 173 of the acts of 2008 is hereby repealed.

[Revenue anticipation notes authorization]

(OO) To meet the expenditures authorized from the General Fund by this act and by any subsequent supplemental and deficiency appropriations acts for fiscal year 2014, or to retire notes issued for those purposes under section 47 of chapter 29 of the General Laws, the state treasurer shall, upon the request of the governor, issue and sell notes of the commonwealth, in an amount to be specified by the governor from time to time, but not exceeding in the aggregate the sum of \$400,000,000. All notes issued by the commonwealth under this section shall be designated on their face: Commonwealth Adequate Revenues for Critical Investments Loan Act of 2013, and shall be issued for a maximum term of years, not exceeding 2 years, as the governor may recommend to the general court under section 3 of article LXII of the Amendments to the Constitution. The notes shall be payable not later than June 30, 2016. All interest and payments on account of principal on these obligations shall be payable from the General Fund. Notes and interest on them issued under this section shall, notwithstanding any other provisions of this act, be general obligations of the commonwealth. This section shall take effect as of July 1, 2013.

[Repeal the exemption of candy and soda from the sales tax.]

(PP) Section 1 of chapter 64H of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by inserting after the definition of "Business" the following definition:-

"Candy", a preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts or other ingredients or flavorings in the form of bars, drops, or pieces. "Candy" shall not include any preparation containing flour and shall require no refrigeration.

(QQ) Said section 1 of said chapter 64H, as so appearing, is hereby further amended by inserting after the definition of "Services" the following definition:-

"Soft drinks", non-alcoholic beverages that contain natural or artificial sweeteners, but not including beverages that contain milk or milk products, soy, rice or similar milk substitutes, or vegetable or fruit juice.

(RR) Section 6 of said chapter 64H is hereby amended by striking out, in line 77, as so appearing, the words ", soft drinks".

(SS) Said section 6 of said chapter 64H is hereby further amended by striking out, in line 78, as so appearing, the words ", candy and confectionary".

(TT) Said section 6 of said chapter 64H is hereby further amended by inserting, after the word "include", in line

80, as so appearing, the following words:- soft drinks and candy, as defined in section 1,.

(UU) Said section 6 of said chapter 64H is hereby further amended by striking out, in lines 115 to 116, as so appearing, the words "in the instance in which it sells only snacks and candy with a sales price of less than \$3.50" and inserting in place thereof the following words:- to the extent that it sells food products with a sales price of less than \$3.50; provided further that candy and soft drinks as defined in section 1 are subject to tax regardless of whether the vending machine from which they are sold is considered an eating establishment or not.

(VV) Said section 6 of said chapter 64H is hereby further amended by inserting after the word "Beverages", in line 127, as so appearing, the following words:- , except soft drinks,.

[Increase the cigarette excise by \$1 to \$3.51 per pack, and increase other tobacco taxes (cigars, smokeless, roll-your-own, etc.) to reflect the previous and new cigarette excise increases.]

(WW) The first paragraph of section 6 of chapter 64C of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by striking out the first 2 sentences and inserting in place thereof the following 2 sentences:- Every licensee who is required to file a return under section 16 of chapter 62C shall, at the time of filing such return, pay to the commissioner an excise equal to 150 1/2 mills plus any amount by which the federal excise tax on cigarettes is less than 8 mills for each cigarette so sold during the calendar month covered by the return; but cigarettes with respect to which the excise under this section has once been imposed and has not been refunded, if paid, shall not be subject upon a subsequent sale to the excise imposed by this section. Each unclassified acquirer shall, at the time of filing a return required by section 16 of chapter 62C, pay to the commissioner an excise equal to 150 1/2 mills plus any amount by which the federal excise tax on cigarettes is less than 8 mills for each cigarette so imported or acquired and held for sale or consumption, and cigarettes, with respect to which such excise has been imposed and has not been refunded, if paid, shall not be subject, when subsequently sold, to any further excise under this section.

(XX) Said section 6 of said chapter 64C, as so appearing, is hereby further amended by striking out the second paragraph and inserting in place thereof the following paragraph:-  
Notwithstanding the other provisions of this section, the excise imposed by this section shall equal 130 per cent of the price paid by such licensee or unclassified acquirer to purchase smokeless tobacco so sold, imported, or acquired.

(YY) Said chapter 64C is hereby further amended by inserting after said section 6 the following section: -  
Section 7 1/2. (a) As used in this section, the following words shall, unless the content clearly indicates otherwise, have the following meanings:-

"Counter," a device contained in, attached to, or forming part of, an RYO machine, performing in accordance with the manufacturer's specifications, that is designed to accurately count, and is accurately counting, the number of products rolled and wrapped by a machine.

"High volume machine," an RYO machine that is capable of rolling and wrapping tobacco into more than 10 products per minute.

"Low volume machine," an RYO machine that is not capable of rolling and wrapping tobacco into more than 10 products per minute.

"Product," a roll of tobacco or substance containing tobacco that is wrapped in any substance, including but not limited to paper or tobacco, in order to make the tobacco suitable for smoking. "Retailer," a retailer of cigarettes, cigars, smokeless tobacco, smoking tobacco or other tobacco products.

"RYO machine," a mechanical device, by whatever manufacturer made and by whatever name known, that is designed to roll and wrap tobacco into products.

(b) No retailer shall possess on its retail premises or otherwise make available to its retail customers, with or without a fee, an RYO machine, whether such RYO machine is owned by the retailer or another party, unless the retailer has first obtained a license under this section for each RYO machine that it so possesses or makes available. A retailer who possesses or otherwise makes available an RYO machine without first obtaining a license for the RYO machine under this section shall be subject to a civil penalty of not more than \$10,000 for the first offense and not more than \$25,000 for each subsequent offense, in the case of low volume machines, or a civil penalty of not more than \$50,000 for the first offense and \$100,000 for each subsequent offense, in the case of high volume machines. Any RYO machine on the retail premises of an unlicensed retailer or made available to the customers of an unlicensed retailer shall be subject to seizure or forfeiture under subsection (g), whether or not the RYO machine is owned by the unlicensed retailer.

(c) The commissioner may license a retailer to possess on its retail premises and make available to its customers 1 or more RYO machines, as specified by the license, if the commissioner determines that the retailer is in good standing with regard to all state tax obligations for taxes subject to chapter 62C, and if the retailer pays the applicable fees before issuance of the license. Each license so issued or a copy of it shall be displayed on or immediately adjacent to the licensed RYO machine. Each license shall apply only to a specified retail location and a specified RYO machine, but a licensee may replace 1 high volume machine at a specific retail location with another high volume machine at that location or may replace 1 low volume machine at a specific retail location with another low volume machine at that location, upon prior written notice to the commissioner. The licensing of RYO machines is retained exclusively by the commonwealth, and no city, town or other political subdivision of the commonwealth may license such use.

(d) The fee for each license issued under this section shall be \$25,000 per calendar year for each high volume machine and \$5,000 per calendar year for each low volume machine. The fee shall not be pro-rated for any period less than a year. Each license shall expire automatically on December 31 of each year. The licensee must apply for a new license for the following year. Licenses shall not be transferable or assignable except as expressly provided in this section.

(e) The applicant for a license under this section shall file with the commissioner an application in the form that the commissioner requires, and shall pay the license fee with the application. The commissioner shall refund the fees paid, subject to any offsets as may be provided with respect to debts collectible under chapter 62C, to the extent that a requested license is not issued. The commissioner shall investigate the prior activities of the applicant and may deny the application for any of the reasons set forth in clauses (1) to (8), inclusive, of section 67. The commissioner shall grant or deny a license within 90 days after the date of application. If the commissioner fails to act within that time, the license shall be deemed denied. An applicant aggrieved by the refusal of the commissioner to grant a license may, within 60 days after the date of notice of the refusal or deemed denial, appeal to the appellate tax board, whose decision shall be final. Licenses shall be subject to suspension or revocation during a calendar year as provided in section 68.

(f) Every licensee shall keep and preserve suitable records relating to the licensee's purchase of the tobacco contained in a product, including the price and date of the purchase and the name of the vendor, and each such invoice must clearly indicate whether the excise due under section 7B has been paid by the licensee's vendor or will be paid by the licensee. Every licensee shall also provide access to its records, as prescribed by section 25 of chapter 62C and the regulations thereunder. For the purposes of this section, the term "records" shall include a counter. The commissioner shall revoke the license of any licensee who fails to maintain accurate records as provided in this section or who refuses to make its records available to the commissioner or the commissioner's designee.

(g) Any person who owns, leases, or is in control or possession of, and is determined by the commissioner to have, a faulty or inoperative counter or a machine without a counter, or who refuses to allow the commissioner or the commissioner's designee access to a counter and the data recorded by the counter, or who intentionally damages, tampers with, removes and does not replace, or renders sporadically or permanently inoperative, a counter, or who falsifies the data recorded by a counter, shall be punished by a fine of not more than \$50,000 or by imprisonment for not more than 1 year, or both.

(h) In addition to the other remedies provided by this section, the commissioner or the commissioner's designee or the state police may seize, seal, or otherwise render inoperative an RYO machine for which a required license has not been issued or where counters or records regarding a licensed RYO machine have not been maintained as required by this chapter or chapter 62C.

(i) It shall be unlawful for any person, whether located within or without the commonwealth, to sell, lease, loan, give, exchange, or otherwise transfer or deliver an RYO machine to a retailer unless the retailer has a license for that RYO machine.

(j) Nothing in this section shall apply to a person who owns, leases, or is in control or possession or control of a low volume machine that is used only for that person's personal use or to that low volume machine itself.

(ZZ) Section 7B of chapter 64C of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by striking out the figure "30", in line 40, and inserting in place thereof the following figure:- 60.

(AAA) Every manufacturer, wholesaler, vending machine operator, unclassified acquirer or retailer, as defined in section 1 of chapter 64C of the General Laws, and every stamper appointed by the commissioner pursuant to section 30 of said chapter 64C, who, as of the commencement of business on August 1, 2013, has on hand any cigarettes for sale or any unused adhesive or meter stamps, shall make and file with the commissioner within 20 days a return, subscribed and sworn to under the penalties of perjury, showing a complete inventory of such cigarettes and stamps and shall, at the time he is required to file such return, pay an additional excise of 50 mills per cigarette on all cigarettes and all unused adhesive and meter stamps upon which an excise of

only 1001/2 mills has previously been paid. All provisions of chapter 62C and chapter 64C relative to the assessment, collection, payment, abatement, verification and administration of taxes, including penalties, shall apply to the excise imposed by this section.

(BBB) All additional revenue resulting from the enactment of subsections (WW) to (AAA), inclusive, as estimated by the commissioner of revenue, shall be deposited in the General Fund

[Cap Film Tax Credit at \$40 million per fiscal year]

(CCC) Subsection (I) of section 6 of chapter 62 of the General Laws, as so appearing, is hereby amended by adding the following paragraph:-

(8) Notwithstanding any other provision of this section, the cumulative amount of credits allowed under this subsection together with section 38X of chapter 63 for all productions, shall not exceed \$40,000,000 for credits deemed attributable to any one fiscal year beginning with the fiscal year commencing on July 1, 2013.

(DDD) Section 38X of chapter 63 of the General Laws, inserted by section 82 of chapter 173 of the acts of 2008, is hereby amended by adding the following subsection:-

(g) Notwithstanding any other provision of this section, the cumulative amount of credits allowed under this section together with subsection (I) of section 6 of chapter 62 for all productions, shall not exceed \$40,000,000 for credits deemed attributable to any one fiscal year, beginning with the fiscal year that commences on July 1, 2013.

(EEE) In order to implement paragraph (8) of subsection (I) of section 6 of chapter 62 and subsection (g) of section 38X of chapter 63 of the General Laws, the department of revenue, in this section called the department, shall issue and implement rules or guidelines which may include but are not limited to the following:

(a) Any motion picture production company seeking a credit for a production that commences filming after January 23, 2013 shall file a production notice with the department, stating the amount of estimated expenses qualifying for the credit for the production and other information required by the department.

(b) Production notices received by the department on or after January 23, 2013 and before January 23, 2014 shall be considered to be attributable to fiscal year 2014 and shall reduce the available credit for fiscal year 2014, in the order in which they are received, by not more than the amount of the credit calculated with respect to the estimated qualifying expenses stated in the notices. Production notices received by the department in each subsequent 12 month period shall be considered to be attributable to each subsequent fiscal year and shall reduce the available credit for that fiscal year, in the order in which they are received, by not more than the amount of the credit calculated with respect to the estimated qualifying expenses stated in the notices.

(c) A production company shall not be allowed a credit for a production commencing filming after January 23, 2013 unless filming commences within 90 days after the department has responded favorably to the notice and any credit shall not be allowed in excess of the amount of credit calculated with respect to the estimated qualifying expenses stated in the notice. A production company that does not commence filming within the required 90 day period will not be allowed a credit for that production and the credit otherwise attributable to that production will be available to other productions subject to the notice procedures and credit limits contained in this subsection (C).

(d) All productions commencing filming after January 23, 2013 are subject to the notice procedures and credit limits provided in this subsection (C) and shall not qualify for any credit under subsection (I) of section 6 of chapter 62 or section 38X of chapter 63 of the General Laws in any fiscal year except as allowed through those notice procedures and subject to those credit limits.

(e) Credit certificates issued by the department that are attributed to a particular fiscal year under this section will reduce the available credits for such year regardless of the production dates to which those credit certificates relate.

(FFF) Subsections (CCC) to (EEE) shall take effect upon passage.

[Effective date]

(GGG) Except as otherwise provided, this section shall take effect on January 1, 2014 and shall be effective for tax years beginning on or after January 1, 2014.

*Summary:*

This section provides adequate revenues to support critical investments, effective January 1, 2014, by:

- \* Changing the income tax rate to a uniform 6.25%;
- \* Doubling the personal income exemption amounts;
- \* Repealing numerous specific personal income tax expenditures;
- \* Lowering the sales/use tax rate to 4.5%;
- \* Extending the sales tax to computer and data processing services and custom software;
- \* Establishing the Commonwealth Public Infrastructure Fund to expend sales tax revenues exclusively for financing public infrastructure;
- \* Indexing the gas tax;
- \* Taxing security and utility corporations like other business corporations;
- \* Modernizing the sales factor for apportioning the corporate excise, by sourcing to where services are received;
- \* Repealing the FAS 109 deduction.
- \* Capping the film tax credit at \$40 million per fiscal year.
- \* Repealing the exemption of candy and soda from the sales tax.
- \* Increasing the cigarette excise by \$1 to \$3.51 per pack, and increasing other tobacco taxes (cigars, smokeless, roll-your-own, etc.) to reflect the previous and new cigarette excise increases.

## **Section 8 - Eliminate Statutory Carry-Forward**

SECTION 8.

Chapter 29 of the General Laws is hereby amended by striking out section 5C and inserting in place thereof the following section:-

Section 5C. The comptroller shall annually, on or before October 31, certify to the secretary of administration and finance the amount of the consolidated net surplus in the budgetary funds at the close of the preceding fiscal year. Except as otherwise provided by law, the amounts so certified shall be transferred to the Stabilization Fund. This transfer shall be made from the undesignated fund balances in the budgetary funds proportionally from those undesignated fund balances, but no such transfer shall cause a deficit in any of those funds. Before certifying the consolidated net surplus in accordance with this section, the comptroller shall, to the extent possible, eliminate deficits in any fund contributing to the surplus by transferring positive fund balances from any other fund contributing to the surplus.

*Summary:*

This section repeals the law that requires 0.5% of tax revenues to be carried forward to the next fiscal year, and another 0.5% to be deposited in the Stabilization Fund.

## **Section 9 - Annual Formula Local Aid**

SECTION 9.

(A) Chapter 58 of the General Laws is hereby amended by inserting after section 18B the following section:-

Section 18B½. (a) As used in this section, the following words shall have the following meanings:-

"Equalizing factor", the sum of the income ratio and property wealth ratio for the city or town multiplied by \$10.

"Income ratio", the per capita income of the commonwealth divided by the per capita income of the city or town, as most recently determined by the department of revenue.

"Population", the population of the city or town, as most recently estimated by the United States Bureau of the Census.

"Property wealth ratio", the statewide average equalized valuation per capita divided by the equalized property valuation per capita for the city or town, as most recently reported by the commissioner of revenue to the general court under section 10C.

(b) Subject to appropriation, each city or town shall receive annual formula local aid from the commonwealth. The funds appropriated for this aid in any fiscal year shall be apportioned among the cities and towns by multiplying the equalizing factor for the city or town by the population for the city or town.

(c) Beginning in fiscal year 2015, an amount equal to 25 percent of annual formula local aid under this section shall be transferred to a reserve account for a program of incentive aid for municipalities. The incentive aid program will reward municipalities for meeting incentives focused on strong fiscal management, municipal health care cost management, and local government performance management. The secretary of administrative and finance shall adopt regulations establishing administrative procedures for the incentive aid program, including identifying the specific incentive requirements and a formula for distributing incentive funds to eligible municipalities.

(B) Section 18C of said chapter 58, as appearing in section 116 of chapter 165 of the acts of 2012, is hereby amended by striking out subsection (a) and inserting in place thereof the following subsection:-

(a) In this section, "budgeted aid" shall mean unrestricted aid to cities and towns, including proceeds from the state lottery established under chapter 10, payments in lieu of taxes from the commonwealth to cities and towns under section 17, education aid to cities and towns under chapter 70, and annual formula local aid under section 18B½.

(C) Section 2 of chapter 70 of the General Laws is hereby amended by striking out the definition of "General revenue sharing aid", as amended by section 33 of chapter 194 of the acts of 2011, and inserting in place thereof the following definition:-

"General revenue sharing aid", the amount of assistance from the commonwealth to be received by a city or town in a fiscal year from the following local aid programs: (1) payments in lieu of taxes for state-owned lands distributed under section 17 of chapter 58, (2) equity aid as defined in this section, (3) the distribution to cities and towns of the balance of the State Lottery and Gaming Fund in accordance with clause (c) of section 35 of chapter 10, and (4) annual formula local aid distributed under section 18B½ of chapter 58.

*Summary:*

This section enacts a new formula for distributing supplemental aid to cities and towns, known as "Annual Formula Local Aid". Beginning in fiscal year 2015, 25 percent of the appropriated amount will fund an incentive aid program promoting strong fiscal management, municipal health care cost management, and local government performance management.

## **Section 10 - Chapter 70 Minimum Local Contribution Waiver**

### **SECTION 10.**

Chapter 70 of the General Laws is hereby amended by inserting after section 6 the following section:-

Section 6A. (a) Notwithstanding any general or special law to the contrary, upon the request of the board of selectmen in a town, the city council in a city with a plan E form of government or the mayor in any other city, within any fiscal year, the department of revenue may recalculate the minimum required local contribution for that year, as defined in section 2. Based on the criteria established in this section, the department of revenue shall recalculate the minimum required local contribution for a municipality's local and regional schools and shall certify the amounts calculated to the department of elementary and secondary education.

(b) A city or town that used qualifying revenue amounts in a fiscal year which are not available for use in the next fiscal year or that shall be required to use revenues for extraordinary non-school-related expenses for which it did not have to use revenues in the preceding fiscal year or that has an excessive certified municipal

revenue growth factor which is also greater than or equal to 1.5 times the state average municipal revenue growth factor may appeal to the department of revenue not later than October 1, for an adjustment of its minimum required local contribution and net school spending for that fiscal year.

(c) If an appeal is determined to be valid, the department of revenue may reduce proportionately the minimum required local contribution amount based on the amount of shortfall in revenue or based on the amount of increase in extraordinary expenditures in the current fiscal year, but no adjustment to the minimum required local contribution on account of an extraordinary expense in the budget for the fiscal year in which the waiver is granted, shall affect the calculation of the minimum required local contribution in subsequent fiscal years. Qualifying revenue amounts shall include, but not be limited to, extraordinary amounts of free cash, overlay surplus and other available funds.

(d) If upon submission of adequate documentation, the department of revenue determines that a municipality's appeal regarding an excessive municipal revenue growth factor is valid, the department of revenue shall recalculate the municipal revenue growth factor and the department of elementary and secondary education shall use the revised growth factor to calculate the preliminary local contribution, the minimum required local contribution and any other factor that directly or indirectly uses the municipal revenue growth factor. Any relief granted as a result of an excessive municipal revenue growth factor shall constitute a permanent reduction in the minimum required local contribution.

(e) The board of selectmen in a town, the city council in a city with a plan E form of government, the mayor in any other city, or a majority of the member municipalities of a regional school district which used qualifying revenue amounts in a fiscal year that are not available for use in the next fiscal year may appeal to the department of revenue not later than October 1, for an adjustment to its net school spending requirement for that fiscal year. If an appeal is determined to be valid, the department of revenue shall reduce the net school spending requirement based on the amount of the shortfall in revenue and reduce the minimum required local contribution of member municipalities accordingly. Qualifying revenue amounts shall include, but not be limited to, extraordinary amounts of excess and deficiency, surplus and uncommitted reserves.

(f) If the regional school budget has already been adopted by two-thirds of the member municipalities then, upon a majority vote of the member municipalities, the regional school committee shall adjust the assessments of the member municipalities in accordance with the reduction in minimum required local contributions approved by the department of revenue or the department of elementary and secondary education in accordance with this section.

(g) Notwithstanding clause (14) of section 3 of chapter 214 or any other general or special law to the contrary, the amounts determined pursuant to this section shall be the minimum required local contribution described in this chapter. The department of revenue and the department of elementary and secondary education shall notify the house and senate committees on ways and means and the joint committee on education of the amount of any reduction in the minimum required local contribution amount.

(h) If a city or town has an approved budget that exceeds the recalculated minimum required local contribution and net school spending amounts for its local school system or its recalculated minimum required local contribution to its regional school districts as provided in this section, the local appropriating authority shall determine the extent to which the community shall avail itself of any relief authorized by this section.

(i) The amount of financial assistance due from the commonwealth in any fiscal year pursuant to this chapter or any other law shall not be changed on account of any redetermination of the minimum required local contribution pursuant to this section.

(j) The department of revenue and the department of elementary and secondary education shall issue guidelines to implement their respective duties pursuant to this section.

*Summary:*

This section codifies usual budgetary language that establish procedures for appeals and waivers of minimum local contributions toward public school funding.

## **Section 11 - Expand Bottle Bill**

### **SECTION 11.**

Section 321 of chapter 94 of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by striking out the definitions of "Beverage" and "Beverage container" and inserting in place thereof the following 2 definitions:-

"Beverage", soda water or similar carbonated soft drinks; beer and other malt beverages; non-carbonated soft drinks including but not limited to mineral water, flavored and unflavored water, spring water, fruit drinks, juice, sports drinks and other water beverages, coffee and coffee-based drinks; and all other non-alcoholic carbonated and noncarbonated drinks in liquid form intended for human consumption except milk and beverages that are primarily derived from dairy products, infant formula, and FDA-approved medicines; but shall not include alcoholic beverages other than beer and malt beverages as defined in chapter 138 or wine.

"Beverage container", any sealable bottle, can, jar or carton which is primarily composed of glass, metal, plastic or any combination of those materials and is produced for the purpose of containing a beverage, including containers of 2 gallons capacity or less for carbonated and malt beverages and less than 1 gallon for noncarbonated beverages. This definition shall not include containers made of biodegradable material.

#### *Summary:*

This section expands the state's bottle deposit law to include containers for non-carbonated drinks like water, juices, coffee-based drinks and sport drinks.

## **Section 12 - Health Safety Net Assessments**

### **SECTION 12.**

(A) The definition of "Managed care organization" in section 64 of chapter 118E of the General Laws, as appearing in section 131 of chapter 224 of the acts of 2012, is hereby amended by inserting after the words "section 9D" the following words:- or an integrated care organization, as defined in section 9F.

(B) Clause (1) of the definition of "Payments subject to surcharge" in section 64 of said chapter 118E, as so appearing, is hereby amended by inserting after the words "age 65" the following words:- who are not enrolled in an ICO.

(C) Said definition of "Payments subject to surcharge" in said section 64 of said chapter 118E, as so appearing, is hereby further amended by striking out the word "division" and inserting in place thereof the following words:- executive office.

(D) Said section 64 of said chapter 118E, as so appearing, is hereby further amended by inserting the following 2 definitions after the definition of "Surcharge payor":-

"Total acute hospital assessment amount", an amount equal to \$160,000,000 plus 50 per cent of the estimated cost, as determined by the executive office, of administering the health safety net and related assessments in accordance with sections 65 to 69, inclusive.

"Total surcharge amount", an amount equal to \$160,000,000 plus 50 per cent of the estimated cost, as determined by the executive office, of administering the health safety net and related assessments in accordance with sections 65 to 69, inclusive.

(E) Said chapter 118E is hereby further amended by striking out section 66 and inserting in place thereof the

following section:-

Section 66. (a) There shall be established and set up on the books of the commonwealth a fund to be known as the Health Safety Net Trust Fund, in this section and in sections 67 to 69, inclusive, called the fund, which shall be administered by the office. Expenditures from the fund shall not be subject to appropriation unless otherwise required by law. The purposes of the fund shall be: (i) to maintain a health care safety net by reimbursing hospitals and community health centers for a portion of the cost of reimbursable health services provided to low-income, uninsured or underinsured residents; (ii) to support the estimated expenses of the executive office in administering the health safety net and related assessments in accordance with sections 65 to 69, inclusive; and (iii) to support a portion of the costs of the Medicaid program under this chapter and the commonwealth care health insurance program under chapter 118H. The office shall administer the fund using methods, policies, procedures, standards and criteria for the proper and efficient operation of the fund and programs funded by it in a manner designed to distribute the fund resources as equitably as possible. The secretary of administration and finance, , in consultation with the secretary of health and human services, shall determine annually the estimated expenses to administer the fund.

(b) The fund shall consist of all amounts paid by acute hospitals and surcharge payors under sections 67 and 68; all appropriations for the purpose of payments to acute hospitals or community health centers for health services provided to uninsured and underinsured residents; any transfers from the Commonwealth Care Trust Fund, established under section 2000 of chapter 29; and all property and securities acquired by and through the use of monies belonging to the fund and all interest thereon. The office shall expend amounts in the fund, except for amounts transferred to the Commonwealth Care Trust Fund, for payments to hospitals and community health centers for reimbursable health services provided to uninsured and underinsured residents of the commonwealth, consistent with the requirements of this section and section 69 and the regulations adopted by the office. The office shall also expend annually for the fund the expenses of the executive office, including the health safety net office under subsection (a). The office shall also expend not more than \$6,000,000 annually from the fund for demonstration projects that use case management and other methods to reduce the liability of the fund to acute hospitals. Any amounts collected from surcharge payors in any year in excess of the total surcharge amount, adjusted to reflect applicable surcharge credits, shall be transferred to the General Fund to support a portion of the costs of the Medicaid and commonwealth care health insurance programs. Any annual balance remaining in the fund after these payments have been made shall be transferred to the Commonwealth Care Trust Fund. All interest earned on the amounts in the fund shall be deposited or retained in the fund. The director shall from time to time requisition from the fund amounts that the director considers necessary to meet the current obligations of the office for the purposes of the fund and estimated obligations for a reasonable future period.

(F) The first sentence of subsection (a) of section 67 of said chapter 118E, as so appearing, is hereby amended by striking out clause (ii) and inserting in place thereof the following clause:- the total acute hospital assessment amount.

(G) The fourth sentence of subsection (a) of section 68 of said chapter 118E, as so appearing, is hereby amended by striking out the figure "\$160,000,000" and inserting in place thereof the following words:- the total surcharge amount.

(H) The fifth sentence of said subsection (a) of said section 68 of said chapter 118E, as so appearing, is hereby amended by striking out the words "less than \$150,000,000 or more than \$170,000,000 in surcharge payments," and inserting in place thereof the following words:- less than the total surcharge amount minus \$10,000,000, or more than the total surcharge amount plus \$10,000,000.

*Summary:*

This section authorizes EOHHS to assess hospitals and insurers, as part of the Health Safety Net assessment, for the costs of administering the Health Safety Net and related assessments. This section also clarifies that integrated care organizations, and services provided to their enrollees, are not subject to the Health Safety Net payor surcharge.

## Section 13 - Construction and Disposition of Certain Public Housing Units

### SECTION 13.

(A) Section 26 of chapter 121B of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by adding the following clause:

(p) Notwithstanding anything to the contrary in this section or section 34, to dispose of or demolish any part or all of an existing housing project assisted by the commonwealth pursuant to chapter 689 of the acts of 1974, chapter 167 of the acts of 1987 or chapter 705 of the acts of 1966, if:

(1) the department and the housing authority have determined that it is not financially feasible to bring the units up to a reasonable program standard for occupancy or permissible to convert the units to another low rent housing program; and

(2) for units financed pursuant to chapter 705 of the acts of 1966, the units were vacant as of November 1, 2012, or, for units financed by the chapter 689 of the acts of 1974 or chapter 167 of the acts of 1987, the department has received written confirmation from both the department of developmental services and the department of mental health that those units are obsolete and inappropriate for housing their respective clients. Upon approval by the department, the housing authority may dispose of the property by sale, ground lease or other transfer of its interest in the property, but the department must review and approve of any appraisal and request for proposals related to the disposition, as well as the selection of the selected bidder. The request for proposals shall provide that:

(i) in reviewing responses to the request for proposals, first priority for selecting from among the responsive and responsible bidders shall be those bidders that offer a feasible plan to provide housing on the site that is permanently affordable to households under 80 per cent of area median income as defined by the department. Those bidders shall obtain the property for one dollar, subject to an enforceable agreement to meet the requirements of its proposal; and,

(ii) if no responsive and responsible bidder meets the above standard, the property shall be sold to the bidder offering the highest price for the property.

Notwithstanding anything to the contrary in this chapter, proceeds from the disposition, after paying for the costs of the disposition, shall be deposited in an expendable trust controlled by the department, the purpose of which shall be to fund capital improvements that the department determines are necessary and appropriate at existing housing developments that serve households that would have been eligible for occupancy of the units that had been sited on the property.

(B) Subsection (b) of section 31 of said chapter 121B, as so appearing, is hereby amended by repealing the language appearing at lines 25 through 35 and inserting in place thereof the following words:- approve such a project only if it makes the following determinations: (i) the design and layout of the proposed project is appropriate to the neighborhood in which it is to be located; and (ii) an.

#### *Summary:*

This section:

(A) provides a very narrow exception to the present replacement housing requirements and will affect approximately 75 units of state-assisted public housing. The language permits the demolition or sale of (a) "chapter 705" scattered site family units that are vacant as of November 1, 2012 and for which rehab is not a feasible alternative, and (b) "chapter 167 and chapter 667" units that are dedicated to DDS and DMH clients if those agencies determine that the units are obsolete and inappropriate for their clients. DHCD will oversee disposition of any real estate interest and the dedication of any net sales proceeds to the capital needs of similar housing; and

(B) eliminates the ban on creating new public housing on sites with 100 units or more than 100 units within an eighth of a mile of each other.

## Section 14 - Housing Preservation and Stabilization Trust Fund

### SECTION 14.

Chapter 121B of the General Laws is hereby amended by adding the following section:-

Section 60. (a) There is hereby established the Housing Preservation and Stabilization Trust Fund, in this section called the fund, to be administered by the undersecretary of housing and community development, in

this section called the undersecretary. Monies in the fund shall be deposited with the state treasurer in a manner that will secure the highest interest rate available consistent with safety of the fund and with the requirement that all amounts on deposit be available for immediate use.

(b) The undersecretary shall appoint the fund's trustee, who shall serve until a successor is appointed.

(c) There shall be credited to the fund (1) any unexpended funds from items 7004-0100, 7004-0101, 7004-0108, 7004-9024 and 7004-9316, which shall not revert to the General Fund, but instead be deposited in the fund, (2) other funds appropriated or transferred by the general court; and (3) all interest earned on monies in the fund.

(d) Expenditures from the fund shall not be subject to appropriation, and balances remaining at the end of a fiscal year shall not revert to the General Fund. Expenditures from the fund shall be made only for providing affordable housing for low-income families and individuals in the commonwealth, particularly those most at-risk of becoming homeless.

(e) Before making expenditures from the fund, each fiscal year the undersecretary shall submit a spending plan to the secretary of administration and finance. Spending from the fund shall be subject to the approval of the secretary of administration and finance. For the purpose of accommodating discrepancies between the receipt of revenues and related expenditures, the undersecretary may incur obligations and the comptroller may certify payment amounts not to exceed the most recent revenue estimate submitted by the undersecretary and approved by the secretary of administration and finance, but the fund shall be in balance by the close of each fiscal year

(f) The undersecretary shall determine eligibility and benefit levels for programs supported by the fund, but programs shall be structured in a sustainable manner.

(g) Eligible grantees of the fund include but are not limited to: local housing agencies, regional housing centers, private housing providers of affordable housing, other state agencies, and municipalities.

*Summary:*

This section establishes a Housing Preservation and Stabilization Trust Fund as a flexible method for funding affordable housing for low-income families and individuals in the commonwealth, particularly those most at-risk of becoming homeless.

**Section 15 - Extend Authority to Terminate and Renegotiate Leases**

SECTION 15.

(A) Section 23 of chapter 5 of the acts of 2009 is hereby amended by striking out the figure "2013", inserted by section 143 of chapter 139 of the acts of 2012, and inserting in place thereof the following figure:- 2014.

(B) Section 195 of chapter 131 of the acts of 2010 is hereby amended by striking out the figure "2013", inserted by section 146 of said chapter 139, and inserting in place thereof the following figure:- 2014.

*Summary:*

This section extends through fiscal year 2014 the present legislative authorization for DCAMM to terminate state agency and court facility leases for insufficient funding, and to realize operating budget cost savings by renegotiating lease terms in return for extending lease terms to as much as a total of 15 years.

**Section 16 - Allow Medical Security Trust Fund Deficit for Fiscal Year 2014**

SECTION 16.

Section 124 of chapter 359 of the acts of 2010 is hereby amended by striking out the words "and June 30, 2013", inserted by section 147 of chapter 139 of the acts of 2012, and inserting in place thereof the following words:- , June 30, 2013 and June 30, 2014.

*Summary:*

This section extends the law allowing the Medical Security Trust Fund to be in deficit at the close of fiscal years 2010 to 2013, to apply also to fiscal year 2014.

**Section 17 - Extend Substance Abuse Services Fund**

SECTION 17.

The last sentence of section 94 of chapter 142 of the acts of 2011 is hereby amended by striking out the figure "2013" and inserting in place thereof the following figure:- 2014.

*Summary:*

This section extends the Substance Abuse Services Fund until June 30, 2014.

**Section 18 - Expenditures from Fiscal Year 2013 Surplus**

SECTION 18.

Chapter 139 of the acts of 2012 is hereby amended by striking out section 155 and inserting in place thereof the following section:-

Section 155. (a) Notwithstanding any general or special law to the contrary, the comptroller shall dispose of the consolidated net surplus in the budgetary funds for fiscal year 2013 in the following order to the extent that funds are available: (1) transfer \$25,000,000 to the Massachusetts Community Preservation Trust Fund, established by section 9 of chapter 44B of the General Laws; (2) transfer \$20,000,000 to the Housing Preservation and Stabilization Trust Fund, established by section 60 of chapter 121B of the General Laws; and (3) transfer the remaining balance to the Commonwealth Stabilization Fund.

(b) All transfers pursuant to this section shall be made from the undesignated fund balances in the budgetary funds proportionally from the undesignated fund balances; but no such transfer shall cause a deficit in any of the funds.

*Summary:*

This section distributes any surplus at the end of fiscal year 2013 in the following order, to the extent that funds are available: \*\$25 million to the Community Preservation Trust Fund; \*\$20 million to the new Housing Preservation and Stabilization Trust Fund; and \* the remaining balance to the Commonwealth Stabilization Fund.

**Section 19 - Inspector General's Audits of Health Safety Net and MassHealth Program**

SECTION 19.

Notwithstanding any general or special law to the contrary, in hospital fiscal year 2014, the office of the inspector general may continue to expend funds from the Health Safety Net Trust Fund, established by section 36 of chapter 118G of the General Laws:

(a) to conduct a study and review of the MassHealth program. The study shall include, but not be limited to, a review of the program's eligibility requirements, utilization, claims administration and compliance with federal mandates. The inspector general shall report any preliminary findings to the secretary of health and human services and the house and senate committees on ways and means on or before October 30, 2013, and issue a final report on or before March 1, 2014; and

(b) for costs associated with maintaining a pool audit unit within the office. The unit shall continue to oversee and examine the practices in all hospitals including, but not limited to, the care of the uninsured and the resulting free charges. The inspector general shall submit a report to the house and senate committees on

ways and means on the results of the audits and any other completed analyses not later than March 1, 2014. For the purposes of these audits, allowable free care services shall be defined pursuant to said chapter 118G and any regulations adopted under that chapter.

*Summary:*

This section allows the Inspector General's Office to continue to audit the Health Safety Net Trust Fund and the MassHealth program.

**Section 20 - Extend Authorization to Transfer Trust Balances**

SECTION 20.

Notwithstanding any general or special law to the contrary, upon receiving a written request from the secretary of administration and finance, the comptroller shall transfer to the General Fund all or part of the unexpended balance of a fund, trust fund or other separate account, in existence on April 1, 2013, whether established administratively or by law, including a separate account established under section 6 of chapter 6A of the General Laws or section 4F of chapter 7 of the General Laws. The secretary and comptroller shall report to the house and senate committees on ways and means 45 days before any such transfer. The request shall certify that the secretary, in consultation with the comptroller, has determined that this balance, or the specified part of it, is not to be necessary for the purposes for which it was made available.

*Summary:*

This section extends to fiscal year 2014 authorizations in the fiscal year 2011, 2012, and 2013 budgets to transfer to the General Fund certain trust and account balances, and now allows all or part of these balances to be transferred.

**Section 21 - Funding for Payments to Certain Health Providers**

SECTION 21.

Notwithstanding any general or special law to the contrary, the health policy commission shall enter into an interagency agreement with the executive office of health and human services to provide up to \$20,000,000 in available funding from the Healthcare Payment Reform Trust Fund, established by section 100 of chapter 194 of the acts of 2011, during fiscal year 2014, for payments required by section 262 of chapter 224 of the acts of 2012. The comptroller shall deposit in this fund all federal reimbursements paid to the commonwealth as a result of these payments.

*Summary:*

To implement a provision of the 2012 health care cost containment law, this section provides up to \$20 million from the Healthcare Payment Reform Trust Fund, for certain health care providers that adopt alternative payment methodologies.

**Section 22 - Initial Gross Payments to Qualifying Acute Care Hospitals**

SECTION 22.

Notwithstanding any general or special law to the contrary, on or before October 1, 2013 and without further appropriation, the comptroller shall transfer from the General Fund to the Health Safety Net Trust Fund established pursuant to section 66 of chapter 118E of the General Laws, in this section called the fund, the greater of \$45,000,000 or one-twelfth of the total expenditures to hospitals and community health centers required pursuant to this act, for the purposes of making initial gross payments to qualifying acute care

hospitals for the hospital fiscal year beginning October 1, 2013. These payments shall be made to hospitals before, and in anticipation of, the payment by hospitals of their gross liability to the fund. The comptroller shall transfer from the fund to the General Fund, not later than June 30, 2014, the amount of the transfer authorized by this section and any allocation of that amount as certified by the director of the health safety net office.

*Summary:*

This section provides for the annual transfer from the General Fund of "seed money" to make initial gross payments to acute hospitals. This seed money is later repaid to the General Fund.

### **Section 23 - MassHealth and CommCare Dental Coverage**

SECTION 23.

(a) Notwithstanding section 53 of chapter 118E of the General Laws, until December 31, 2013, the executive office of health and human services may determine the extent to which to include within its covered services for adults the federally optional dental services that were included in its state plan or demonstration program in effect on January 1, 2002 and the dental services that were covered for adults in the MassHealth basic program as of January 1, 2002.

(b) Notwithstanding subsection (a) of section 6 of chapter 118H of the General Laws, until December 31, 2013, medically necessary dental services covered through health insurance plans procured by the board of the Commonwealth Health Insurance Connector Authority for any resident with a household income that does not exceed 100 per cent of the federal poverty level shall include preventative procedures but shall exclude those categories of services that are not provided through MassHealth.

*Summary:*

Until December 31, 2013 only, this section gives EOHHS and the Commonwealth Health Connector Authority board the necessary discretion to make MassHealth and Commonwealth Care dental coverage or service limitation decisions.

### **Section 24 - Nursing and Resident Care Facility Base Year**

SECTION 24.

Notwithstanding any general or special law to the contrary, nursing facility and resident care facility rates effective July 1, 2013 under section 13D of chapter 118E of the General Laws may be developed using the costs of calendar year 2005.

*Summary:*

This section changes to 2005 the base year for setting fiscal year 2014 nursing and resident care facility rates.

### **Section 25 - Pension Cost of Living Adjustment**

SECTION 25.

Notwithstanding any general or special law to the contrary, the amounts transferred pursuant to subdivision (1) of section 22C of chapter 32 of the General Laws shall be made available for the commonwealth's Pension Liability Fund established by section 22 of said chapter 32. The amounts transferred pursuant to said subdivision (1) of said section 22C of said chapter 32 shall meet the commonwealth's obligations pursuant to said section 22C of said chapter 32, including retirement benefits payable by the state employees' and the state teachers' retirement systems, for the costs associated with a 3 per cent cost-of-living adjustment pursuant

to section 102 of said chapter 32, for the reimbursement of local retirement systems for previously authorized cost-of-living adjustments pursuant to said section 102 of said chapter 32 and for the costs of increased survivor benefits pursuant to chapter 389 of the acts of 1984. The state board of retirement and each city, town, county and district shall verify these costs, subject to the rules adopted by the state treasurer. The state treasurer may make payments upon a transfer of funds to reimburse certain cities and towns for pensions to retired teachers, including any other obligations which the commonwealth has assumed on behalf of any retirement system other than the state employees' or state teachers' retirement systems and also including the commonwealth's share of the amounts to be transferred pursuant to section 22B of said chapter 32. All payments for the purposes described in this section shall be made only pursuant to distribution of monies from the fund, and any distribution and the payments for which distributions are required shall be detailed in a written report filed quarterly by the secretary of the executive office for administration and finance with the house and senate committees on ways and means and the joint committee on public service in advance of this distribution. Distributions shall not be made in advance of the date on which a payment is actually to be made. The state board of retirement may expend an amount for the purposes of the board of higher education's optional retirement program pursuant to section 40 of chapter 15A of the General Laws. To the extent that the amount transferred pursuant to said subdivision (1) of said section 22C of said chapter 32 exceeds the amount necessary to adequately fund the annual pension obligations, the excess amount shall be credited to the Pension Reserves Investment Trust Fund, established by subdivision (8) of section 22 of said chapter 32, for the purpose of reducing the unfunded pension liability of the commonwealth.

*Summary:*

This section provides for a 3% increase on the first \$13,000 in pension benefits for retired state employees. The section is included each year in the budget.

**Section 26 - Stabilization Fund Transfers**

SECTION 26.

(a) Notwithstanding any general or special law to the contrary, the comptroller shall, on or before June 30, 2014, transfer \$400,000,000 to the General Fund from the Commonwealth Stabilization Fund, but the comptroller shall instead transfer a lesser amount if the secretary of administration and finance so requests in writing. The comptroller, in consultation with the secretary of administration and finance, may take the overall cash flow needs of the commonwealth into consideration in determining the timing of any transfer of funds. The comptroller shall provide a schedule of transfers to the secretary of administration and finance and to the house and senate committees on ways and means.

(b) Notwithstanding any general or special law to the contrary, the comptroller shall, not later than June 30, 2014, transfer the interest earned from the Commonwealth Stabilization Fund during fiscal year 2014 to the General Fund

*Summary:*

This section transfers \$400 million to the General Fund from the Commonwealth Stabilization Fund, but allows the Secretary of Administration and Finance to reduce the amount transferred. It also transfers interest on the Stabilization Fund during fiscal year 2014 to the General Fund.

**Section 27 - Suspension of Tourism Formula**

SECTION 27.

Notwithstanding any general or special law to the contrary, the formula for application of funds provided in section 35J of chapter 10 of the General Laws shall not apply in fiscal year 2014.

*Summary:*

This section suspends the statutory tourism fund formula for fiscal year 2014. This section has been routine in recent budgets.

**Section 28 - UMass/Health and Human Services Interagency Service Agreements**

**SECTION 28.**

Notwithstanding any general or special law to the contrary, the executive office of health and human services, acting in its capacity as the single state agency under Title XIX of the Social Security Act and as the principal agency for all of the agencies within the executive office and other federally-assisted programs administered by the executive office, may enter into interdepartmental services agreements with the University of Massachusetts Medical School to perform activities that the secretary of health and human services, in consultation with the comptroller, determines appropriate and within the scope of the proper administration of said Title XIX and other federal funding provisions to support the programs and activities of the executive office. The activities may include: (1) providing administrative services including, but not limited to, providing the medical expertise to support or administer utilization management activities, determining eligibility based on disability, supporting case management activities and similar initiatives; (2) providing consulting services related to quality assurance, program evaluation and development, integrity and soundness and project management; and (3) providing activities and services for the purpose of pursuing federal reimbursement or avoiding costs, third-party liability and recouping payments to third parties. Federal reimbursement for any expenditures made by the University of Massachusetts Medical School relative to federally-reimbursable services the University provides under these interdepartmental service agreements or other contracts with the executive office shall be distributed to the University and recorded distinctly in the state accounting system. The secretary may negotiate contingency fees for activities and services related to pursuing federal reimbursement or avoiding costs and the comptroller shall certify these fees and pay them upon the receipt of this revenue, reimbursement or demonstration of costs avoided. Contracts for contingency fees shall not exceed 3 years and shall not be renewed without prior review and approval by the executive office for administration and finance. The secretary shall not pay contingency fees in excess of \$40,000,000 for state fiscal year 2014; but contingency fees paid to the University of Massachusetts Medical School under an interagency service agreement for recoveries related to the special disability workload projects shall be excluded from that \$40,000,000 limit for fiscal year 2014. The secretary of health and human services shall submit to the secretary of administration and finance and the senate and house committees on ways and means a quarterly report detailing the amounts of the agreements, the ongoing and new projects undertaken by the University, the amounts expended on personnel and the amounts of federal reimbursement and recoupment payments that the University collected.

*Summary:*

This section enables the Executive Office of Health and Human Services to contract services to the University of Massachusetts to perform them in the most cost-efficient manner.

**Section 29 - Nursing Facility Assessment**

**SECTION 29.**

Notwithstanding any general or special law to the contrary, the nursing home assessment established by subsection (b) of section 63 of chapter 118E of the General Laws shall be sufficient in the aggregate to generate \$220,000,000 in fiscal year 2014.

*Summary:*

This section establishes the amount of revenue to be obtained from the nursing home assessment in fiscal year 2014.

## Section 30 - Study Commission on Dental Insurance

### SECTION 30.

(a) There shall be a special commission on dental insurance. The commission shall review carrier contracts with dental providers and the methods by which dental providers are reimbursed for services provided to persons covered under the carriers' dental plans. The commission shall study all facets of fees charged by dentists within network dental plans, including those limited by the terms of a dentist's contract with carriers. The commission shall make recommendations to ensure that contract terms and methods of reimbursing dental providers promote the delivery of quality and affordable dental care in the commonwealth.

(b) The commission shall be comprised of the following 21 members: the undersecretary of the office of consumer affairs and business regulation, or her designee, who shall serve as chair; the commissioner of insurance, or his designee; the executive director of the group insurance commission, or her designee; the executive director of the commonwealth health insurance connector authority, or her designee; the MassHealth director or his designee; the executive director of the health policy commission, or his designee; 2 members of the senate appointed by the president; 2 members of the house of representatives appointed by the speaker; 1 member of the senate and of the house of representatives appointed by the minority leader of each; 2 dentists appointed by the Massachusetts Dental Society, 1 of whom shall be a general dentist and 1 of whom shall be a specialist; 1 representative of each of the following 4 organizations: the Retailers Association of Massachusetts; the Life Insurance Association of Massachusetts; Health Law Advocates; and Health Care for All; and 3 persons to be named by the chair, 1 of whom shall represent a medical service corporation authorized to operate under chapter 176B of the General Laws, and 1 of whom shall represent a dental service corporation authorized to operate under chapter 176E of the General Laws.

(c) The commission shall hold its first meeting within 60 days after passage of this act. The commission shall file a report detailing its work and findings, including any legislative recommendations, with the clerks of the house of representatives and the senate not later than December 31, 2013.

#### *Summary:*

This section establishes a study commission on dental insurance, to ensure that contract terms and methods of reimbursing dentists promote the delivery of quality and affordable dental care.

## Section 31 - Study Higher Education Efficiencies and Finance

### SECTION 31.

(a) There shall be a special commission on higher education efficiencies and finance.

(b) The commission shall consist of the following members: the secretary of education, or his designee, who shall serve as chair of the commission; the commissioner of higher education, or his designee; the chair of the board of higher education; the chair of the University of Massachusetts board of trustees; the house and senate chairs of the joint committee on higher education, or their designees; the chairs of the house and senate committees on ways and means committees or their designees; a member of the house of representatives, whose district includes one of the commonwealth's institutions of public higher education, appointed by the speaker of the house of representatives; a member of the senate, whose district includes one of the commonwealth's institutions of public higher education, appointed by the president of the senate; a member of the house of representatives appointed by the minority leader; a member of the senate appointed by the minority leader; 7 persons to be appointed by the secretary of education, 1 of whom shall be selected from a list of 3 nominees submitted by the Massachusetts Teachers Association, 1 of whom shall be selected from a list of 3 nominees submitted by the council of presidents of the state university system, 1 of whom shall be selected from a list of 3 nominees submitted by the community colleges executive office, 1 of whom shall be selected from a list of 3 nominees submitted by the Association of Independent Colleges and Universities of Massachusetts, 1 of whom shall be selected from a list of 3 nominees submitted by the Massachusetts Competitive Partnership; 1 person to be appointed by the secretary of housing and economic development; 1 person to be appointed by the secretary of labor and workforce development; a student representative on the board of higher education, chosen by the chair of that board; and a student representative on the University of Massachusetts board of trustees chosen by the chair of that board.

(c) The commission shall seek to define a sustainable model of financing for public higher education and the appropriate relative contributions of: (1) students and families, (2) the commonwealth, and (3) all other sources, including federal grants.

(d) In addition, the commission shall examine, report on, and make recommendations on the full range of issues affecting public higher education financing in the commonwealth, including but not limited to: (1) leveraging current efficiencies and reforms, such as performance incentive grants and the Partnership for Collaboration and Efficiencies initiative; (2) working to better understand and allocate all available resources to the campuses, including understanding current revenue structures; (3) rationalizing the definition of tuition and fees in a manner that is transparent and consumer friendly; (4) re-evaluating the historical financing mechanisms that now restrict coherent fiscal planning, including, but not limited to tuition retention and the fiscal structure of continuing education classes; (5) reviewing currently offered tuition and fee waivers, including which waivers are still of policy value, which should be the fiscal responsibility of campuses and which of the commonwealth, and addressing the loss of revenue to campuses from the implementation of tuition retention and a redefinition of tuition and fees; (6) integrating campus capital planning with operating expenditures; (7) evaluating the appropriate adjunct faculty to full-time faculty ratio, with a review of: (i) the use of adjunct or part-time faculty, as well as the pay, benefits, responsibilities of, and support services provided to, adjunct faculty under the current system; (ii) the number and use of full-time and tenure-track faculty across the system; and (iii) the ability of the current system to attract and retain highly qualified faculty and staff; and (8) assessing the number of developmental students being served under the current system and at which institutions, and the adequacy of academic and related support systems in place for both the number and types of students served. In particular, the commission shall recommend improved efficiencies of operation in public higher education that could lead to cost savings and improvements to fiscal controls, planning, and cost allocation.

(e) Subject to appropriation, the commission shall hire temporary staff and support services. The first meeting of the commission shall take place within 45 days after the effective date of this act. The commission shall file a report containing its recommendations, including legislation necessary to carry out its recommendations, with the clerks of the house and senate not later than September 1, 2014.

*Summary:*

This section establishes a commission, chaired by the Secretary of Education, to study higher education efficiencies and finance.

### **Section 32 - Effective Date**

**SECTION 32.**

Except as otherwise specified, this act shall take effect on July 1, 2013.

*Summary:*

This section provides that this budget takes effect on July 1, 2013 unless otherwise specified.



## ***Tax Expenditure Budget***

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Introduction .....	8-512
Introduction - Personal Income Tax.....	8-518
List of Personal Income Tax Exemptions.....	8-522
Introduction - Corporate Excise Tax .....	8-548
Computation of the Financial Institution Excise(Non-Combined Reporting) .....	8-552
Computation of the Security Corporation Excise .....	8-554
Summary of 2011 Tax Forms for Insurance Companies .....	8-555
List of Corporate and Other Business Excise Tax Exemptions .....	8-558
Introduction - Sales Tax .....	8-573
List of Sales and Use Tax Exemptions .....	8-575
Appendix A.....	8-588
Appendix B - Glossary.....	8-593
Appendix C - Summary Table .....	8-595
Appendix D - Non-Tax Expenditure Budget Items .....	8-603



## Introduction

While taxes are an essential source of revenue for all state governments, the manner in which they are imposed varies widely from state to state. In its simplest form, a tax is an across-the-board levy on a base, such as income, to which a specific rate applies and for which no modifications exist. Taxes are rarely levied in this manner, however. Instead, most state tax codes incorporate a number of exemptions, deductions, credits, and deferrals designed to encourage certain taxpayer activities or to limit the tax burden on certain types of individuals or endeavors. Known as "tax expenditures", these provisions can have a significant impact on state tax revenues.

This document offers a summary of the tax expenditures affecting the taxes from which Massachusetts derives the bulk of its revenues: the personal income tax, the corporate excise and other business excises, and the sales and use tax. It also provides revenue estimates for each tax expenditure, as mandated by Massachusetts state law. Organized into five separate sections, this study analyzes all aspects of Massachusetts tax expenditures. Part I contains a detailed explanation of how we identify and estimate the costs of tax expenditure provisions in the tax code. In the next sections (Parts II - IV), we have provided detailed information about each of the three major tax types, including an explanation of how each tax is calculated and the ways in which that tax's basic structure is modified to produce the various types of tax expenditures. The tax expenditures for each tax are listed after the description of the tax.

Following the expenditure listings, Part V provides three appendices. The first lists recent law changes which affect this year's tax expenditure budget; a second gives three-year tax expenditure estimates that are consistent with our most recent estimation methodology; the third is a glossary that defines terms used throughout the text. In reviewing this document it is important to remember that although a tax expenditure represents a deviation from the generally agreed-upon, or basic, structure of a given tax, determining whether a provision is a tax expenditure is not the same as making a judgment about its desirability. An element of the basic structure of a tax can be inequitable or have undesirable economic effects, just as a tax expenditure can. If so, it can be changed by legislative action just as a tax expenditure can.

The estimates of the costs of tax expenditures included in this volume are revised annually. As improved methodologies and data become available over the course of the year, some estimates may be reexamined and occasionally revised.

### What Are Tax Expenditures?

Tax expenditures are provisions in the tax code, such as exclusions, deductions, credits, and deferrals, which are designed to encourage certain kinds of activities or to aid taxpayers in special circumstances. When such provisions are enacted into the tax code, they reduce the amount of tax revenues that may be collected. Massachusetts General Laws (MGL), Ch 29, Sec 1 as modified by the Ch 165 of the Acts of 2012 (section 112) defines *tax expenditures* as

*“state tax revenue foregone as a direct result of any general or special law which allows exemptions, deferrals, deductions from or credits against taxes imposed on income, businesses and corporations, financial institutions, insurance and sales but excluding revenue foregone as a direct result of any general or special law which allows a personal income tax exemption. Sales that do not involve tangible personal property shall not result in tax expenditures under this definition.”*

In this sense, the fiscal effects of a tax expenditure are just like those of a direct government expenditure. Some tax expenditures involve a permanent loss of revenue, and thus are comparable to

a payment by the government; others cause a deferral of revenue to the future, and thus are comparable to an interest-free loan to the taxpayer. Since tax expenditures are designed to accomplish certain public goals that otherwise might be met through direct expenditures, it seems reasonable to apply to tax expenditures the same kind of analysis and review that the appropriations budget receives.

It is essential to distinguish between those provisions of the tax code that represent tax expenditures and those that are part of the "basic structure" of a given tax. The basic structure is the set of rules that defines the tax; a tax expenditure is an exception to those rules. In general, most taxes have a series of features that define their basic structure. These features are:

1. A base, on which the tax is levied, such as net income, or a particular class of transactions;
2. A taxable unit, such as a person or a corporation;
3. A rate, to be applied to the base;
4. A definition of the geographic limits of the state's exercise of its tax jurisdiction; and
5. Provisions for the administration of the tax.

### **Defining the Basic Tax Structure**

A tax expenditure is a deviation from the generally agreed-upon, or basic, structure of a given tax. For example, the base of the sales tax includes all retail sales to final consumers. The exemption for sales of energy conservation equipment is an exception, created to encourage purchases of such equipment. The sales tax that is not collected because of the existence of this exemption is a tax expenditure.

While this general definition seems straightforward enough, the task of compiling a comprehensive list of tax expenditures presents many conceptual problems. For example, some of the deductions and exemptions allowed under the tax statutes are not tax expenditures. The broad category of income tax deductions allowed for business expenses is not listed as a tax expenditure. Since the income tax is generally considered to be a tax on income net of the costs of producing that income, deductions for business expenses are taken against gross income and therefore occur prior to calculation of the tax base. In addition, tax provisions reflecting constitutional prohibitions, such as the prohibition on taxation of sales to the federal government, are considered parts of the basic tax structure and therefore are not properly considered tax expenditures. These distinctions are fairly simple, but more complex analytical questions quickly arise.

For example, deductions for the depreciation of property and equipment used in a trade or business are considered part of the basic tax structure because the use of productive assets is a legitimate cost of doing business. However, federal depreciation rules allow larger depreciation deductions in the early years of a property's useful life. These accelerated depreciation rules could be viewed as properly reflecting changing notions of obsolescence and thus as part of the basic tax structure; or the faster rates of depreciation could be considered a special adjustment in the tax base designed to provide an incentive for investment, and therefore a tax expenditure. Past federal tax expenditure budgets prepared by the Congressional Budget Office and versions prepared by the Treasury Department have disagreed on exactly this issue.

We have adopted the point of view that accelerated depreciation is a tax expenditure. Although accelerated depreciation still allows the same total deduction for a piece of property; the rate of depreciation allowed in the early years is faster than would be permitted under traditional accounting principles. Generally, revenue cost estimates in this document for tax expenditures associated with accelerated depreciation rely on assumptions used in congressional federal tax expenditure analysis concerning ordinary depreciation rates.

We have chosen to view the rules for personal exemptions and for no tax status in the Commonwealth's personal income tax as provisions which help to define the income tax base, and thus as a part of the basic structure of the tax (much as the progressive rate structure of the federal income

tax, which similarly reduces the tax burden on low-income people, is a part of its basic structure). The base of the tax is defined as net income above what is required for subsistence. Since personal exemptions help define the amount of income needed for subsistence, and therefore the base, they should not be classified as tax expenditures. According to this reasoning, exemptions allowed for dependents would also be considered part of the basic tax structure, since subsistence requirements increase with the size of the taxpayer's household. However, we note that this view of the tax structure does not always lead to easy conclusions. First, taxpayers are allowed exemptions for dependents even if those dependents have their own income and take personal exemptions for themselves. We have treated the use of the dependents' exemption as a tax expenditure. Second, the fact that the no tax status amount is greater than the personal exemption suggests that the intent behind the no tax status and personal exemptions goes beyond simple definition of an income base. Although personal exemptions and the no tax status are not listed in this document as tax expenditures, estimates for the revenue losses associated with these provisions are provided in an endnote.

Many Massachusetts tax expenditures in the personal income tax and corporate tax derive from federal income tax rules and thus piggy back on many but not all, federal tax expenditures. We have chosen to include such tax expenditures in this tax expenditure budget, as Massachusetts generally has the ability legally to "decouple" from piggybacking on federal tax expenditures, and has done so in certain cases (e.g., bonus depreciation) from time to time. However, one can question whether federal tax expenditures should generally be included in the Massachusetts tax expenditure budget, because for the most part they simply reflect the fact that Massachusetts has generally chosen to incorporate much of the federal tax laws into the determination of Massachusetts taxable income for personal and corporate income tax purposes.

The sales tax presents the most difficult case. The sales tax statute and its legislative history indicate that the established base of the tax is all "retail" sales. At a minimum, the sales tax exemptions for business purchases of component parts and of products to be resold appear to be provisions that help define which sales are considered non-retail sales, and therefore should not be classified as tax expenditures. However, it is difficult if not impossible to decide which other sales tax exemptions might also cover non-retail sales. For example, manufacturing companies are allowed an exemption from the sales tax for purchases of machinery used in the production process. Since this machinery is not a direct component part of any product being manufactured and is not purchased simply to be resold, it could be argued that the machinery purchase is a retail sale and that the machinery exemption is a tax expenditure. Others would argue that because these purchases are not purchases by the final consumers of an end product, and because they represent legitimate business expenses, these sales tax exemptions should not be considered tax expenditures.

The largest proportion of Massachusetts tax expenditure dollars used to be sales and use tax expenditures. This was largely because of the exclusion (or non-taxation) of certain property and services (other than telecom) from sales and use taxation. The Center on Budget and Policy Priorities' tax expenditure survey report indicates that items such as non-taxation of services, which are so-called "implicit tax expenditures", should be included in the tax expenditure budget. They also report that about 16 states have such items in their annual tax expenditure reports (<http://www.cbpp.org/files/4-9-09sfp.pdf>). This provides a means of quantifying the cost of not taxing most services, and allows for comparison with other states that do apply their sales and use tax to various types of specified services. However, in July 2012 legislation was enacted stating explicitly that "sales that do not involve tangible personal property shall not result in tax expenditures". See St 2012, c.165, §112. Pursuant to this legislation, from fiscal year 2014 on, we remove some items, including non-taxation of services, from our tax expenditure estimates, which we regularly reported in prior years. But to facilitate comparison to tax expenditure estimates in prior years, we list these items in appendix D.

As stated in the introduction, the most important thing to remember is that making a judgment about whether a provision is a tax expenditure is not the same as making a judgment about its desirability.

With this in mind, we have attempted to provide more rather than fewer tax expenditure estimates, so that necessary information is available for those charged with making policy judgments.

## **Description of the Data**

This budget should be considered part of an ongoing effort to list tax expenditures, describe their characteristics, and estimate their revenue costs. Each year, we attempt to improve upon the analysis presented in the prior year's tax expenditure budget. For purposes of comparison, we have provided an appendix containing updated tax expenditure estimates for the past two years as well as for Fiscal Year 2014.

Information collected by the Department of Revenue (DOR) from Massachusetts tax returns was an important source of data in this budget. Estimates made from these data tend to be the most reliable. Unfortunately, many tax expenditures cannot be estimated from DOR records. When a particular category of income is excluded from taxation, amounts often do not appear on tax records. This is especially likely to be the case for those tax expenditures brought about by "coupling" the state tax code to the federal code, since exclusions and some deductions are not reported explicitly, but are simply carried over to state tax calculations as part of the reporting of federal income. In such cases we have had to estimate a Massachusetts figure using national tax data, census information, sales statistics, and other information.

You will note that in several cases, this year's revenue estimate is very different from last year's. Revisions to the estimates occur for four reasons: we have new data sources; federal tax expenditure estimates on which we rely have changed; we have refined our estimation methodologies; or changes in Massachusetts tax law have modified existing estimates. In a few instances, more than one of these factors operates to explain the difference. All estimates are projections forward from a base year (which varies depending on the availability of data) to Fiscal Year 2013.

## **Data Limitations**

There are some additional caveats that the reader should keep in mind when reading this budget. First, most revenue loss estimates have been made without taking into account how repeal of a provision might change taxpayer behavior. For example, if the sales tax exemption for a particular item were repealed, the item would become more expensive to consumers, so one would expect sales of that item to decline. The revenue gain from repealing the provision would be, therefore, somewhat less than if the level of sales for the affected items remained the same. On the other hand, some of the income not spent on that item might be spent on other taxable items. To the extent that consumers and businesses pay more taxes and have less income available for other purposes, the repeal of a tax expenditure might have much broader economic and revenue effects. Clearly, the full estimation of these effects demands extensive data which are not easily available.

Second, interactions among different taxes and tax expenditures may be quite complex. Repealing some tax expenditures may increase or decrease the value of others. For example, increasing the no tax status amount would mean that fewer people would pay taxes, and thus fewer people would claim other exemptions. This would reduce the revenues lost through other exemptions. Therefore the combined cost of several tax expenditure items may be different from the total of the cost of the separate tax expenditure items.

Third, the revenue cost estimates do not generally reflect compliance factors that may significantly reduce revenues available from a tax expenditure repeal. In particular, where Massachusetts tax provisions are "coupled" with federal tax rules, audits of Massachusetts taxpayers generally compare state and federal returns. If Massachusetts tax provisions were "decoupled", taxpayers would have to make separate calculations for Massachusetts tax purposes, and these provisions would require special audit procedures. Compliance difficulties would certainly result.

And fourth, particular caution is appropriate with respect to the tax expenditure budget's totals for expenditures for particular taxes. Not only do these totals reflect the imprecision of the specific estimates, but they also omit those items for which no estimates were available. In consequence, particular totals may be substantially understated. At the same time, included in the totals, particularly with regard to the sales tax, are a number of substantial items that many analysts would not regard as tax expenditures, but rather as features of the underlying tax itself. The general approach in preparing the tax expenditure budget has been to count questionable items as tax expenditures, so that information concerning them would be available for analysis. The result is that the totals are higher than they would be under a more restrained analytic approach.

### **Reading the Budget**

In this document, tax expenditures and cost estimates are listed according to the taxes to which they pertain: personal income, corporate excise, and sales and use. Note that the corporate section of the Tax Expenditure Budget includes other business excises along with the corporate excise. These additional business excise taxes are the financial institution excise, the public utility excise, the excises on insurance companies, and the excise on security corporations. Each of the three major taxes includes an introductory section with a description of the tax, followed by a listing of the tax expenditures for that tax. Each tax expenditure item includes a brief description, the cost estimate, a statutory citation, and an indication of the tax expenditure's type. The various special excises on motor fuels, cigarettes, and alcoholic beverages are not covered in this budget.



## ***Introduction - Personal Income Tax***

Although income from professions, trades or employment was taxed throughout the nineteenth century under the local property tax, it was not until 1916, under the authority of Article 44 of the Amendments to the Massachusetts Constitution, that the Massachusetts personal income tax was enacted as a separate tax. Because Article 44 requires that all income of the same class be taxed at the same rate, Massachusetts applies a flat tax rate regardless of total income; the federal tax structure (and that used in most states) uses graduated rates.

Generally, the Massachusetts personal income tax ties into the federal Internal Revenue Code as it was on January 1, 2005. To the extent that the Massachusetts tax takes federal law as its starting point, it adopts many federal tax expenditures (see Appendix A for more details).

The personal income tax is the state's largest revenue source, accounting for 56.7% of Department of Revenue tax collections in Fiscal Year 2012.

### **Personal Income Tax: Basic Structure**

**Tax Base:** The personal income tax base is gross income minus the costs of producing the gross income (trade or business expenses). Massachusetts gross income is defined as federal gross income with certain modifications. Effective January 1, 1996 it was divided into three classes: interest, dividends, and short-term capital gains ("Part A" income); long-term term capital gains ("Part C" income); and all other income ("Part B" income). Massachusetts taxpayers are entitled to a basic personal exemption, which varies according to taxpayer status. The exempted amounts are considered to be outside the generally accepted tax base. They reflect the notion that income needed for bare subsistence should be free from tax. Thus, for the purposes of this document, these exemptions are not listed as tax expenditures. In addition, taxpayers whose income is below a specified level are entitled to "no tax status." For the same reason, this status is not listed as a tax expenditure. On the other hand, because policy makers are often interested in the effects of adjusting the dollar amounts for the personal exemptions and the no tax status, estimates are provided for them in endnote 3 to item 1.405 in the list of personal income tax expenditures.

**Taxable Unit:** Individuals are taxed separately, with the exception of married couples, who may file a joint return. The income of children is not aggregated with that of their parents. The income of trusts, estates and unincorporated associations, is also subject to the personal income tax.

**Rate Structure:** The rate structure has been evolving to a system where most income is taxed at the Part B rate. As of tax year 2012, the Part B rate is 5.25%. Currently, only short-term capital gains and long-term capital gains on collectibles are taxed at a different rate. The vast majority of income is linked to the Part B rate.

Prior to tax year 1999, the tax rate on interest and dividend income (one component of Part A income) was 12% compared with the Part B "earned" taxable income rate of 5.95%. Effective January 1, 2000, the rate on both Part B and the linked Part A income (Interest and Dividends) dropped to 5.85%, then to 5.60% on January 1, 2001, and to 5.30% on January 1, 2002. The rate was scheduled to decline to 5.00% on January 1, 2003; however, Chapter 186 of the Acts of 2002 ("An Act Enhancing State Revenues") delayed the final phase of the rate reduction. The estimates contained in this document assume that the tax rates on interest and dividend income and Part B income, which declined to 5.25% for tax year 2012, will remain at 5.25% for 2013. All other things being equal, a reduction in tax rates -- (which are part of the basic tax structure -- has the effect of reducing the value of tax expenditures, because when tax rates decline, so does the value of any exceptions to that basic structure.

Between January 1, 1996 and January 1, 2003, Part C income, long-term capital gains, was subject to the following tax rates based on how long the assets were held:

<u><b>Holding Period</b></u>	<u><b>Tax Rate</b></u>
more than one, but less than two years	5%
more than two, but less than three years	4%
more than three, but less than four years	3%
more than four, but less than five years	2%
more than five, but less than six years	1%
more than six years	0%

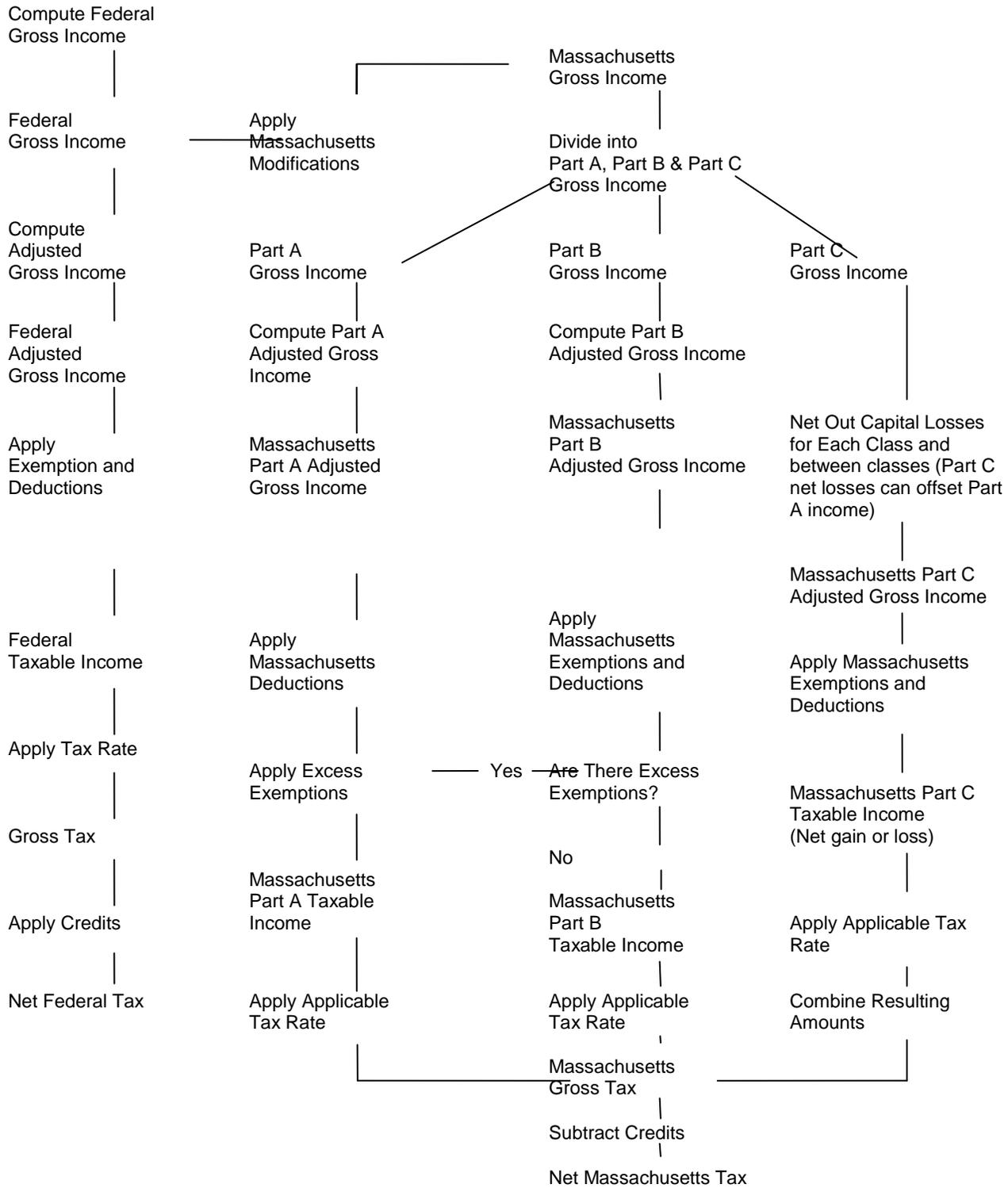
Assets acquired prior to January 1, 1996 were deemed to have been acquired on the later of January 1, 1995 or the actual date of acquisition. Note that capital assets held less than one year are considered Part A income, and are taxed at 12%.

Chapter 186 of the Acts of 2002 eliminated the “sliding scale” treatment of capital gains on assets held for more than one year. This was originally effective May 1, 2002; subsequent legislation changed the effective date of the tax change to apply to assets sold on or after January 1, 2003. Gains on such transactions are now taxed at the Part B rate; as noted above, the Part B rate is assumed to be 5.25% for tax years forecasted by this tax expenditure budget.

**Taxable Period:** The taxable period is one year (or less), usually the calendar year. Income may be reported according to the cash or accrual method. Where property is sold on a deferred payment basis, gains may be reported in the years the payments are received. There is no Massachusetts provision for income averaging. Net capital losses may be carried forward to future years. Ordinary losses may not be carried forward.

**Interstate and International Aspects:** Residents are taxed upon their entire income, whether derived from Massachusetts sources or elsewhere, without allocation or apportionment. Nonresidents are taxed only on income from sources within Massachusetts. A resident may take a limited credit against the Massachusetts income tax for income taxes due to other states, the District of Columbia, any territory or possession of the United States, or Canada or its provinces on any item of Massachusetts gross income.

Computation of the Personal Income Tax



## Types of Tax Expenditures under the Personal Income Tax

The basic structure of the personal income tax can be modified in a number of different ways to produce tax expenditures. Brief explanations of the various types of tax expenditures follow:

**Exclusions from Gross Income:** Gross income is the starting point in the calculation of income tax liability and, in the absence of tax expenditures, would include all income received from all sources. Typically, the taxpayer does not report items of income that are excluded from gross income on his or her tax return. Thus, they escape taxation permanently.

**Deferrals of Gross Income:** Where an item of income is not included in gross income in the year when it is actually received, but is instead included in a later year, the result is a tax expenditure in the form of an interest-free loan from the state to the taxpayer in the amount of the tax payment that is postponed.

**Deductions from Gross Income:** Certain amounts are subtracted from gross income to arrive at adjusted gross income (AGI). Many of these deducted amounts reflect the costs of producing income (business expenses), and are not properly part of the income tax base. Such deductions are not tax expenditures. Other deductions that do not reflect business expenses constitute tax expenditures, which permit corresponding amounts of income to escape taxation permanently.

**Accelerated Deductions from Gross Income:** In a number of cases, taxpayers are allowed to deduct business expenses from gross income at a time earlier than such expenses would ordinarily be recognized under Generally Accepted Accounting Principles. The total amount of the permissible deduction is not increased, but it can be utilized more quickly to reduce taxable income. The result is to defer taxes, thus in effect occasioning an interest-free loan from the state to the taxpayer.

**Deductions from Adjusted Gross Income (AGI):** Taxable income results from the subtraction of certain deductions and exemptions from AGI. Certain of these subtracted items represent amounts of income necessary for subsistence; their exclusion is part of the basic structure of the income tax. Other subtracted items represent tax expenditures, which permit corresponding amounts of income to escape taxation permanently.

**Credits against Tax:** After a taxpayer's basic tax liability has been calculated by applying the tax rates to taxable income, the taxpayer may subtract certain credit amounts from this initial liability in determining the actual amount of taxes that must be paid. It is important to note that, whereas a one-dollar exclusion or deduction results in a tax savings of only a few cents (one dollar times the applicable tax rate), a one-dollar credit results in a one-dollar tax savings.

**Note on Personal Exemptions, Dependent Exemptions, No Tax Status, and Limited Income Credit:** *These exempted amounts are considered to be outside the generally accepted tax base, and thus, for the purposes of this document, these exemptions are not listed as tax expenditures. However, because policy makers are often interested in the impact of adjusting their dollar amounts, estimates are provided for them in a footnote following the "Credits against Tax" section.*

## ***List of Personal Income Tax Exemptions***

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### **1.000 EXCLUSIONS FROM GROSS INCOME**

#### **1.001 Exemption of Premiums on Accident and Accidental Death Insurance<sup>1</sup>**

Employer contributions for premiums on accident and accidental death insurance are not included in the income of the employee and are deductible by the employer.

Origin: IRC § 106

Estimate: \$24.2

#### **1.002 Exemption of Premiums on Group-Term Life Insurance<sup>1</sup>**

Employer payments of employee group-term life insurance premiums for coverage up to \$50,000 per employee are not included in income by the employee and are deductible by the employer.

Origin: IRC § 79

Estimate: \$12.1

#### **1.003 Exemption of Interest on Life Insurance Policy and Annuity Cash Value**

Interest, which is credited annually on the cash value of a life insurance policy or annuity contract, is not included in the income of the policyholder or annuitant. Only when a life insurance policy is surrendered before death or when annuity payments commence does the interest become subject to tax. (Interest on dividends left on deposit is taxable.)

Origin: IRC § 101

Estimate: \$214.2

#### **1.004 Exemption of Employer Contributions for Medical Insurance Premiums and Medical Care<sup>1</sup>**

Employer contributions for medical insurance premiums and reimbursements for medical care are not included in the income of the employee and are deductible by the employer.

Origin: IRC §§ 105 and 106

Estimate: \$1044

#### **1.005 Exemption of Annuity or Pension Payments to Fire and Police Personnel**

Income from noncontributory annuities or pensions to certain retired fire and police personnel or their survivors are tax-exempt.

Origin: M.G.L. c. 32

Estimate: N.A.

#### **1.006 Exemption of Distributions from Certain Contributory Pension and Annuity Plans<sup>2</sup>**

Certain pensions and annuity distributions are tax-exempt under Massachusetts law. They are payments from contributory plans of the U.S. government, Massachusetts and its subdivisions, and other states that do not tax such income from Massachusetts. Any benefits in excess of contributions not taxed by Massachusetts constitute this tax expenditure.

Origin: M.G.L. c. 62, §§ 2(a)(2)(E)

Estimate: \$316.7

1.007 Exemption of Railroad Retirement Benefits

Railroad retirement benefits are not taxed. (Massachusetts has not adopted Internal Revenue Code section 86, which taxes some of these benefits if a taxpayer's income is above a certain level.)

Comment: No adjustment is made for any prior payments taxpayers may have made to fund this system since employee payments to this system are taxes rather than contributions.

No adjustment is made for any prior payments taxpayers may have made to fund this system since employee payments to this system are taxes rather than contributions.

Origin: M.G.L. c. 62, § 2(a)(2)(H)

Estimate: \$4.6

1.008 Exemption of Public Assistance Benefits

Public assistance or welfare benefits are not taxed. These include Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI) benefits, and the like.

Origin: Rev. Rul. 71-425, 1971-2 C.B. 76

Estimate: \$223.1

1.009 Exemption of Social Security Benefits

Social Security benefits paid to people age 65 or older and their dependents, to persons under 65 who are survivors of deceased workers, and to disabled workers and their dependents are not taxed. Massachusetts has not adopted Internal Revenue Code section 86, which taxes a portion of these payments where a taxpayer's income is above a certain level.

Origin: M.G.L. c. 62, § 2 (a)(2)(H)

Estimate: \$827.2

1.010 Exemption of Workers' Compensation Benefits

Workers' compensation benefits are not taxed. These are benefits paid to disabled employees or their survivors for employment-related injuries or diseases.

Origin: IRC § 104 (a)(1)

Estimate: \$6.7

1.011 Exemption for Dependent Care Expenses<sup>1</sup>

Day care paid for or provided by an employer to an employee, the value of which does not exceed the employee's or employee's spouse's "earned" income, and does not exceed the amount of \$5,000, is not included in the income of the employee and is deductible by the employer.

Origin: IRC § 129

Estimate: \$8.7

1.012 Exemption of Certain Foster Care Payments

Qualified foster care payments are not includible in the income of a foster parent.

Origin: IRC § 131

Estimate: \$3.1

1.013 Exemption of Payments Made to Coal Miners

Coal miners or their survivors may exclude from income payments for disability or death from black lung disease.

Origin: IRC § 104(a)(1)

Estimate: Negligible

1.014 Exemption of Rental Value of Parsonages<sup>1</sup>

A minister may exclude from gross income a rental allowance or the rental value of a parsonage furnished to him or her.

Origin: IRC § 107

Estimate: \$2.5

1.015 Exemption of Scholarships and Fellowships

Degree candidates can exclude scholarships and fellowship income if the amounts are not compensation for services or for the payment of room, board or travel expenses.

Origin: IRC § 117

Estimate: \$20.7

1.016 Exemption of Certain Prizes and Awards

Prizes and awards are generally required to be included in income. The exemption of certain prizes and awards is generally limited to taxpayers who donate the proceeds to a

charitable organization. Certain employee achievement awards are also excluded from gross income.

Origin: IRC § 74

Estimate: N.A.

1.017 Exemption of Cost-Sharing Payments

Portions of government cost-sharing payments to assist in water and soil conservation projects are not includible in the recipient's income.

Origin: IRC § 126

Estimate: Negligible

1.018 Exemption of Meals and Lodging Provided at Work<sup>1</sup>

The value of meals and lodging furnished to the employee by the employer on the business premises for the employer's convenience is not included in the income of the employee. The employer's expenses are deductible.

Origin: IRC § 119

Estimate: \$7.6

1.019 Treatment of Business-Related Entertainment Expenses<sup>1</sup>

With certain limitations, a business may take a deduction of up to 50% of the cost of business-related entertainment expenses. Generally, the value of the entertainment is not taxed as income to the persons who benefit from the expenditures. The effect is to provide the hosts and their guests with a nontaxable fringe benefit.

Origin: IRC § 162

Estimate: N.A.

1.020 Exemption of Income from the Sale, Lease, or Transfer of Certain Patents

Income from the sale, lease or other transfer of approved patents for energy conservation, and income from property subject to such patents, are excluded from gross income for a period of five years.

Origin: M.G.L. c. 62, § 2(a)(2)(G)

Estimate: N.A.

1.021 Exemption of Capital Gains on Home Sales

Taxpayers may exclude up to \$250,000 of capital gain (or \$500,000 if filing jointly) on the sale of a principle residence. This exclusion from gross income may be taken any number of times, provided the home was the filer's primary residence for an aggregate of at least two of the previous five years.

Comment: This expenditure and 1.105 (Deferral of Capital Gains on Home Sales) were changed by the Taxpayer Relief Act of 1997; item 1.105 (based on IRC 1034, the rollover of capital gains on the sale of a home) was repealed. In effect, both 1.105 and 1.021 were replaced with a modified IRC 121. The new IRC 121, which is the basis for Massachusetts tax expenditure 1.021, removed the age requirement and the "one-time-only" limitation.

This expenditure and 1.105 (Deferral of Capital Gains on Home Sales) were changed by the Taxpayer Relief Act of 1997; item 1.105 (based on IRC 1034, the rollover of capital gains on the sale of a home) was repealed. In effect, both 1.105 and 1.021 were replaced with a modified IRC 121. The new IRC 121, which is the basis for Massachusetts tax expenditure 1.021, removed the age requirement and the "one-time-only" limitation.

Origin: IRC § 121

Estimate: \$288.2

1.022 Nontaxation of Capital Gains at Death

Ordinarily, capital gains are taxed at the time appreciated property is transferred. However, no tax is imposed on a capital gain when appreciated property is transferred at death. The appreciation that accrued during the lifetime of the transferor is never taxed as income.  
Comment: See also item 1.106 below.

See also item 1.106 below.

Origin: IRC §§ 1001 and 1014

Estimate: \$937.3

1.023 Exemption of Interest from Massachusetts Obligations

Interest earned on Massachusetts bonds is exempt. The exclusion applies to bonds of Massachusetts agencies and and local subdivisions (cities and towns) as well.

Origin: M.G.L. c. 62, § 2 (a)(1)(A)

Estimate: \$87.4

1.024 Exemption of Benefits and Allowances to Armed Forces Personnel<sup>1</sup>

Under the January 1, 1998 Code, Massachusetts allowed the federal exclusion for certain military fringe benefits including combat zone compensation, veterans' and medical benefits, disability benefits, moving allowances and a death gratuity benefit of \$3,000. As a result of recent legislation under which the Commonwealth incorporated into Massachusetts personal income tax law the Code as amended and in effect on January 1, 2005 (hereinafter referred to as the "Code Update"). This exclusion was extended to include dependent care assistance under a dependent care assistance program, travel benefits received under the Operation Hero Miles program and an increased death benefit gratuity of \$12,000.

Origin: IRC §§ 112-113

Estimate: \$25.9

- 1.025 Exemption of Veterans' Pensions, Disability Compensation and G.I. Benefits
- These veterans' benefits are not taxed.
- Origin: 38 U.S.C. § 5301
- Estimate: \$30.4
- 1.026 Exemption of Military Disability Pensions
- Disability pensions paid to service personnel are fully excluded from gross income. The portion of a regular pension that is paid on the basis of disability may also be excluded.
- Origin: IRC § 104(a)(4)
- Estimate: \$0.5
- 1.027 Exemption of Compensation to Massachusetts-Based Nonresident Military Personnel
- Compensation paid by the U.S. to nonresident uniformed military personnel on duty at bases within Massachusetts for services rendered while on active duty is defined as compensation from sources outside Massachusetts. It is therefore not taxed.
- Comment: This tax treatment follows U.S. statutory law.
- This tax treatment follows U.S. statutory law.
- Origin: 50 U.S.C. App. 574; M.G.L. c. 62, § 5A(c)
- Estimate: \$9.5
- 1.028 Exemption for Taxpayers Killed in Military Action or by Terrorist Activity
- Massachusetts residents who die in combat while in active military service, or who die as a result of terrorist or military action outside of the U.S. while serving as military or civilian employees of the U.S. are exempt from income taxation.
- Origin: M.G.L. c. 62, § 25
- Estimate: N.A.
- 1.029 Exemption for Retirement Pay of the Uniformed Services
- Effective January 1, 1997, income received from the United States government as retirement pay and survivorship benefits for a retired member of the Uniformed Services of the United States is exempt from the personal income tax. The Uniformed Services of the United States are: the Army, Navy, Air Force, Marine Corps, Coast Guard, and the Commissioned Corps of the Public Health Service and National Oceanic and Atmospheric Administration.
- Origin: M.G.L. c. 62, § 2
- Estimate: \$24.9

1.030 Parking, T-Pass and Vanpool Fringe Benefits

A federal and Massachusetts exclusion is allowed for employer-provided parking, transit passes and vanpool benefits (i.e. "qualified transportation benefits"), subject to monthly maximums. Massachusetts adopts the federal exclusion without any differences in exclusion amounts or allowed benefits. Although the Tax Relief Act of 2010 temporarily increased this amount at the federal level, Massachusetts does not conform, and allows exclusion amounts for tax year 2013 of \$245 per month for qualified parking, and \$125 per month for combined commuter highway vehicle transportation and transit passes. For further discussion, see TIR 10-20.

Origin: IRC § 132(f)

Estimate: \$41.1

1.031 Health Savings Accounts

For federal income tax purposes, the earnings in a Health Savings Account (HSA) account accrue on a tax-free basis, and qualified distributions from a HSA are excluded from gross income. Prior to the most recent Code update, Massachusetts taxed earnings in a HSA and also taxed distributions to the extent such amounts were not previously taxed by Massachusetts. As a result of the Code Update, Massachusetts adopts the federal exclusion for earnings in, and qualified distributions from, a HSA.

Origin: IRC § 223

Estimate: Included in 1.422

1.032 Employer-Provided Adoption Assistance

Massachusetts adopts the federal exclusion for employer-provided adoption expenses paid (or treated as paid under IRC sec. 137) on or after January 1, 2005. The federal government extended this credit temporarily for 2011. However, as Massachusetts follows the 2005 Code, and so the credits sunset after 2010.

Origin: IRC § 137

Estimate: \$0.0

1.033 Employer-Provided Educational Assistance

Massachusetts adopts the federal exclusion for qualified educational expenses reimbursed to an employee under an employer-provided education assistance program in effect as of the 2005 Code Update. Massachusetts adopts the federal exclusion for qualified educational expenses for undergraduate and graduate education expenses up to the federal annual maximum of \$5,250 per calendar year.

Origin: IRC § 127 and 132

Estimate: \$9.3

1.034 Qualified Retirement Planning Services

Massachusetts adopts the federal exclusion for the employee fringe benefit of retirement

planning advice or information provided to an employee and spouse by an employer maintaining a qualified employer plan. Qualified employer plans include IRC sec. 401(a) plans, annuity plans, government plans, IRC sec. 403(b) annuity contracts, SEPs and SIMPLE accounts. This exclusion is due to expire for tax or plan years beginning after December 31, 2010.

Origin: IRC § 132(m)

Estimate: N.A.

1.035 Department of Defense Homeowners Assistance Plan

Massachusetts adopts the federal exclusion for the employee fringe benefit of payments received under the Homeowners Assistance Plan. Such payments are intended to compensate military personnel and certain civilian employees for a reduction in the fair market value of their homes resulting from military or Coast Guard base closure or realignment.

Origin: IRC § 132(m)

Estimate: N.A.

1.036 Survivor Annuities of Fallen Public Safety Officers

For both Massachusetts and federal tax purposes, an exclusion from income is allowed for amounts paid under a governmental plan as an annuity to the survivor of a public safety officer killed in the line of duty. However, a federal Act subsequent to January 1, 1998, created differences between the Massachusetts and federal exclusion amounts. Massachusetts had allowed an exclusion for amounts received in tax years beginning after December 31, 1996, with respect to individuals dying after that date. As a result of the most recent Code update, Massachusetts adopts the federal exclusion as amended and in effect on January 1, 2005, that extends the exclusion for such annuities from, and including, individuals dying after December 31, 1996 to individuals dying on or before December 31, 1996.

Origin: IRC § 101(h)

Estimate: N.A.

1.037 Survivor Annuities of Fallen Astronauts

Massachusetts adopts the federal exclusion for death benefits paid by the U.S. government to the survivors of astronauts who die in the line of duty. The Massachusetts exclusion is effective for payments made on or after January 1, 2005.

Origin: IRC § 101(i)

Estimate: N.A.

1.038 Discharge of Indebtedness for Victims of Terrorism

Massachusetts adopts the federal exclusion for discharge of indebtedness due to the death of an individual resulting from the September 11, 2001, terrorist attacks or as the result of anthrax-related illness occurring on or after September 11, 2001, and before January 1,

2002.

Origin: IRC § 108 & P.L. 107-134

Estimate: N.A.

1.039 Discharge of Indebtedness for Health Care Professionals

Massachusetts adopts the federal exclusion for National Health Service Corps Loan Program repayments made to health care professionals. Loan repayments received under similar state programs eligible for funds under the Public Health Service Act are also excluded from income.

Origin: IRC § 108(f)(4)

Estimate: Negligible

1.040 Archer Medical Savings Accounts

For federal income tax purposes, the earnings in an Archer Medical Savings Account (MSA) account accrue on a tax-free basis, and qualified distributions from an Archer MSA are excluded from gross income. Prior to the 2005 Code Update, Massachusetts taxed earnings in an Archer MSA for individuals who became active participants on or after January 1, 2001 and also taxed distributions for such individuals to the extent such amounts were not previously taxed by Massachusetts. As a result of the Code Update, Massachusetts adopts the federal exclusion for earnings in, and qualified distributions from, an Archer MSA for all federally qualified individuals.

Origin: IRC § 220

Estimate: Included in 1.420

**1.100 DEFERRALS OF GROSS INCOME**

1.101 Net Exemption of Employer Contributions and Earnings of Private Pension Plans<sup>2</sup>

Employer contributions to private, qualified employee pension plans are deductible by the employer up to certain amounts and are not included in the income of the employees. Income earned by the invested funds is not currently taxable to the employees. Benefits in excess of any employee contributions previously taxed by Massachusetts are taxable when paid out. The value of the tax deferral on contributions and on the investment income is a tax expenditure.

Origin: IRC §§ 401-415 in effect January 1, 1985 and M.G.L. c. 62 §§ 2(a)(2)(F)

Estimate: \$1130

1.102 Treatment of Incentive Stock Options

Massachusetts has adopted the federal rules for employee stock options. Generally, employers may offer employees options to purchase company stock at a later date at a price equal to the fair market value of the stock when the option was granted. At the time employees exercise the option, they do not include in income the difference between the

fair market value and the price they pay. If they later sell the stock, they are taxed on the amount by which the price they receive for the stock exceeds the price they paid. Thus, income is deferred and is taxed as a capital gain instead of as compensation.

Origin: IRC §§ 421-425

Estimate: N.A.

**1.103 Exemption of Earnings on Stock Bonus Plans or Profit Sharing Trusts**

Investment income earned by stock bonus plans or profit sharing trusts is not taxed currently for employees.

Origin: M.G.L. c. 62, § 5(b)

Estimate: N.A.

**1.104 Exemption of Earnings on IRA and Keogh Plans<sup>2</sup>**

This includes exclusions from income for some retirement contributions; these exclusions and the earnings from them are taxed upon distribution. The deferral of tax on the investment income is a tax expenditure.

Origin: M.G.L. c. 62, §§ 2(a)(2)(F)

Estimate: \$300.3

**1.105 Deferral of Capital Gains on Home Sales**

Estimate: N.A.

**1.106 Nontaxation of Capital Gains at the Time of Gift**

Ordinarily, capital gains are taxed at the time appreciated property is transferred. However, no tax is imposed on a capital gain when appreciated property is transferred by gift. The taxation of appreciation is deferred until the recipient transfers the property. Note: Last year's FY13 estimate reflected the anticipation that capital gains realizations would be higher in tax year 2012 as a result of expiring favorable federal tax rates.

Comment: See also item 1.022 above.

See also item 1.022 above.

Origin: IRC §§ 1001, 1015

Estimate: \$93.8

**1.200 DEDUCTIONS FROM GROSS INCOME**

**1.201 Capital Gains Deduction**

Long-term capital gains realized from the sale of collectibles (as defined by sec. 408 (m) of

the IRC) are eligible for a 50% deduction from the 12% capital gains tax.

Origin: M.G.L. c. 62, § 2(c)(3)

Estimate: N.A.

**1.202 Deduction of Capital Losses Against Interest and Dividend Income**

Taxpayers may deduct up to \$2,000 of net capital loss against interest and dividend income. This limit was reestablished in 2002.

Origin: M.G.L. c. 62, § 2(c)(2)

Estimate: N.A.

**1.203 Excess Natural Resource Depletion Allowance**

Individuals or investors in extractive industries (mining or drilling natural resources) may deduct a percentage of gross mining income as a depletion allowance. The allowance may exceed the actual cost of the resource property. For a more detailed description of this tax expenditure, see corporate excise item 2.204.

Origin: IRC §§ 613 and 613A as in effect January 1, 1985

Estimate: \$0.3

**1.204 Abandoned Building Renovation Deduction**

Businesses renovating eligible buildings in Economic Opportunity Areas may deduct 10% of the cost of renovation from gross income. This deduction may be in addition to any other deduction for which the cost of renovation may qualify. To be eligible for this deduction, renovation costs must relate to buildings designated as abandoned by the Economic Assistance Coordinating Council.

Origin: M.G.L. c. 62, § 3(B)(a)(10)

Estimate: \$0.1

**1.300 ACCELERATED DEDUCTIONS FROM GROSS INCOME**

**1.301 Modified Accelerated Depreciation on Rental Housing**

Landlords and investors in rental housing may use accelerated methods of depreciation for new and used rental housing. Rental housing placed in service after 1988 is depreciated on a straight-line basis over a 27.5-year period. Rental housing placed in service before 1988 was depreciable over shorter periods (generally 19 or 20 years), and, instead of straight-line depreciation, the 175% declining balance method was permitted. Straight-line depreciation over the property's expected useful life is the generally accepted method for recovering the cost of building structures. The excess of allowable depreciation over such generally accepted depreciation is a tax expenditure, resulting in a deferral of tax or an interest-free loan.

Origin: IRC § 168(b)

Estimate: \$20.4

1.303 Modified Accelerated Depreciation on Buildings (other than Rental Housing)

Individuals or investors in a trade or business may use accelerated methods of depreciation for buildings. Construction may be depreciated under methods that produce faster depreciation than economic depreciation. The precise rates have been changed repeatedly in recent years as the result of revisions in the federal tax code. Structures (other than rental housing) placed in service after 1987 are depreciated on a straight-line basis over a 31.5-year life. The excess of accelerated depreciation over economic depreciation is a tax expenditure, resulting in a deferral of tax or an interest-free loan.

Origin: IRC §§ 167(j) and 168(b)

Estimate: \$6.1

1.304 Modified Accelerated Cost Recovery System (MACRS) for Equipment

For depreciable tangible personal property placed in service after 1980, capital costs may be recovered using the Accelerated Cost Recovery System (ACRS), which applies accelerated methods of depreciation over set recovery periods. For property placed in service after 1987, Massachusetts has adopted the Modified Accelerated Cost Recovery System (MACRS), which generally uses double declining balance depreciation over specified periods that are substantially shorter than actual useful lives (200% declining balance for 3-, 5-, 7- and 10-year recovery property and 150% declining balance for 15- and 20-year property). The excess of accelerated depreciation over economic depreciation is a tax expenditure, resulting in a deferral of tax or an interest-free loan.

Origin: IRC § 168

Estimate: \$57.5

1.305 Deduction for Excess First-Year Depreciation

Individuals or investors in a trade or business may elect to expense certain business assets purchased during the taxable year. As of 2012, the total deduction cannot exceed \$139,000. For taxpayers whose investment in eligible assets exceeds \$560,000 in the year, the ceiling is reduced by \$1 for each dollar of investment above \$560,000. Any remaining cost must be depreciated according to MACRS, as described in the preceding item. The immediate deduction is a tax expenditure, resulting in a deferral of tax or an interest-free loan.

Origin: IRC § 179

Estimate: \$8.5

1.306 Election to Deduct and Amortize Business Start-up Costs

Individuals or investors in a trade or business may elect to treat business start-up expenditures as deferred expenses and amortize them over a period of not less than 180 months, starting with the month in which the business begins. For a more detailed description of this tax expenditure, see corporate excise item 2.304.

Origin: IRC § 195

Estimate: \$4.1

1.308 Expensing Exploration and Development Costs

Individuals or investors in extractive industries (mining or drilling natural resources) may take an immediate deduction for certain exploration and development costs. For a more detailed description of this tax expenditure, see corporate excise item 2.309; the provisions for individual taxpayers are somewhat more liberal than those that apply to corporations.

Origin: IRC §§ 263(c), 616 and 617 in effect January 1, 1985

Estimate: Negligible

1.309 Expensing Research and Experimental Expenditures in One Year

Individuals or investors in a trade or business may take an immediate deduction for research and experimental expenditures. For a more detailed description of this tax expenditure, see corporate excise item 2.308.

Origin: IRC § 174

Estimate: \$1.2

1.310 Five-Year Amortization of Pollution Control Facilities

Individuals or investors in a trade or business may elect to amortize the cost of a certified pollution control facility over a five-year period. For a more detailed description of this tax expenditure, see corporate excise item 2.311.

Origin: IRC § 169

Estimate: N.A.

1.311 Seven-Year Amortization for Reforestation

Individuals or investors in the forestry business may amortize the costs of reforestation over a seven-year period. For a more detailed description of this tax expenditure, see corporate excise item 2.311.

Origin: IRC § 194

Estimate: N.A.

1.312 Expensing Certain Capital Outlays of Farmers

Farmers may use certain favorable accounting rules. For instance, they may use the cash basis method of accounting and may deduct up to 50% of non-paid farming expenses as current expenses even though these expenditures are for inventories on hand at the end of the year. They also may deduct certain capital outlays, such as expenses for fertilizers and soil and water conservation if they are consistent with a federal- or state-approved plan. Generally, these special rules are not available to farming corporations and syndicates.

Origin: IRC §§ 175, 180 and 182 and Reg. §§ 1.61-4, 1.162-12 and 1.471-6

Estimate: \$0.3

**1.400 DEDUCTIONS FROM ADJUSTED GROSS INCOME**

**1.401 Deduction for Employee Social Security and Railroad Retirement Payments**

Taxes paid by employees to fund the Social Security and Railroad Retirement systems are deductible against "earned" income up to a maximum of \$2,000 per individual.

Comment: The estimate also covers item 1.402 below.

The estimate also covers item 1.402 below.

Origin: M.G.L. c. 62, § 3B(a)(3)

Estimate: \$301.3

**1.402 Deduction for Employee Contributions to Public Pension Plans<sup>2</sup>**

Employee contributions to federal and state contributory pension plans are deductible against "earned" income up to a maximum of \$2,000 per individual.

Origin: M.G.L. c. 62, § 3B(a)(4)

Estimate: Included in 1.401

**1.403 Additional Exemption for the Elderly**

A taxpayer age 65 or over is entitled to an additional exemption against "earned" income of \$700 (\$1,400 for a married couple filing jointly if both spouses are age 65 or over).

Origin: M.G.L. c. 62, §§ 3B(b)(1)(C) and (2)(C)

Estimate: \$28.2

**1.404 Additional Exemption for the Blind**

A blind taxpayer is allowed an additional exemption against "earned" income of \$2,200 (\$4,400 for a married couple filing jointly if both spouses are blind).

Origin: M.G.L. c. 62, §§ 3B(b)(1)(B) and (2)(B)

Estimate: \$1.3

**1.405 Dependents Exemption Where the Child Earns Income<sup>3</sup>**

Taxpayers are allowed an additional exemption of \$1,000 for a dependent child even when the child earns income against which a personal exemption can be taken.

Comment: The estimate cannot be separated from the figure for the dependents exemption in endnote 3.

The estimate cannot be separated from the figure for the dependents exemption in endnote 3.

Origin: IRC § 151(c) in effect January 1, 1988 and M.G.L. c. 62 § 3B(b)(3)

Estimate: N.A.

1.406 Deduction for Dependents Under 12

Individual taxpayers and married taxpayers filing jointly with one or more dependents under age 12, who do not claim the deduction for child care described in item 1.409 below, may claim this deduction. Filers with one dependent under 12 may deduct \$3,600, while filers with two or more dependents under 12 may deduct \$7,200.

Origin: M.G.L. c. 62, § 3B(a)(8)

Estimate: \$137.0

1.407 Personal Exemption for Students Age 19 or Over

A taxpayer may claim a dependent exemption of \$1,000 for a child who is a full-time student even if he or she is 19 or over.

Origin: IRC § 151(c) in effect January 1, 1988 and M.G.L. c. 62 § 3B(b)(3)

Estimate: \$9.0

1.408 Deduction for Adoption Fees

Adoption fees paid to a registered adoption agency are deductible against Part B income.

Origin: M.G.L. c. 62, § 3B(b)(5)

Estimate: \$0.4

1.409 Deduction for Business-Related Child Care Expenses

Taxpayers qualifying for the credit for employment-related childcare expenses in the Internal Revenue Code are allowed a deduction against "earned" income for the amount of the expenses that qualify for the credit. Beginning in tax year 2001, the cap on this deduction was increased, and the coverage expanded to include elderly and disabled dependents. The cap increased from \$2,400 to \$3,600 for filers with one dependent, and from \$2,400 to \$4,800 for filers with two or more dependents. Beginning in tax year 2002, the cap was further increased to \$4,800 for qualifying filers with one dependent and to \$9,600 for filers with two or more dependents.

Comment: For federal tax purposes, the requirement that employment-related child care expenses relate only to children under age 15 was further restricted to children under age 13. In addition, a federal change now requires a taxpayer to include employer-provided dependent care expenses when calculating the limitation amount of qualifying expenses.

For federal tax purposes, the requirement that employment-related child care expenses relate only to children under age 15 was further restricted to children under age 13. In

addition, a federal change now requires a taxpayer to include employer-provided dependent care expenses when calculating the limitation amount of qualifying expenses.

Origin: IRC § 21, and M.G.L. c. 62, § 3B(a)(7)

Estimate: \$16.8

1.410 Exemption of Medical Expenses

Medical and dental expenses in excess of 7.5% of federal adjusted gross income are deductible against "earned" income for taxpayers who itemize deductions on their federal returns.

Origin: IRC § 213 and M.G.L. c. 62, § 3B(b)(4)

Estimate: \$73.4

1.411 Rent Deduction

Renters are able to deduct against Part B income one-half of the rent paid for a principal residence located in Massachusetts up to a maximum deduction of \$3,000 per year. This maximum was last raised in tax year 2001.

Origin: M.G.L. c. 62, § 3B(a)(9)

Estimate: \$122.9

1.412 Nontaxation of Charitable Purpose Income of Trustees, Executors or Administrators

The adjusted gross income of trustees, executors or administrators, which is currently payable to or irrevocably set aside for public charitable purposes is tax-exempt.

Origin: M.G.L. c. 62, §§ 3A(a)(2) and B(a)(2)

Estimate: N.A.

1.413 Exemption of Interest on Savings in Massachusetts Banks

Up to \$100 (\$200 on a joint return) of interest from savings deposits or savings accounts in Massachusetts banks is excluded from "earned" income.

Origin: M.G.L. c. 62, § 3B(a)(6)

Estimate: \$4.4

1.414 Tuition Deduction (Over 25% of Income)

A deduction is allowed for tuition payments paid, on behalf of a filer or their dependent, to a two- or four-year college leading to a degree or certificate. The deduction is equal to the amount by which the net tuition payments exceed 25% of the filer's Massachusetts AGI. See TIR 97-13 for more information.

Origin: M.G.L. c. 62, § 3B(a)(11),(12)

Estimate: \$37.7

1.415 Charitable Contributions Tax Deduction

For tax year 2001, a deduction was allowed for charitable contributions in determining Part B taxable income. The deduction amount was equal to the taxpayer's charitable contributions for the year, as defined under the Federal Internal Revenue Code and without regard to whether the taxpayer elected to itemize deductions on his or her federal income tax return. Chapter 186 of the Acts of 2002 suspended this deduction, so no tax expenditure is recorded for the current fiscal year.

Origin: M.G.L. c. 62 § 6I

Estimate: N.A.

1.418 Deduction for Costs Involved in Unlawful Discrimination Suits

Massachusetts adopts the federal deduction for attorney fees and court costs paid to recover a judgment or settlement for a claim of unlawful discrimination, up to the amount included in gross income for the tax year from such claim.

Origin: IRC §§ 62(a)(19) and 62(e)

Estimate: N.A.

1.419 Business Expenses of National Guard and Reserve Members

Massachusetts adopts the deduction for unreimbursed overnight travel, meals and lodging expenses of National Guard and Reserve Members who must travel more than 100 miles from home to perform services as a National Guard or reserve member.

Origin: IRC §§ 62(a)(2)(E) and 162(p)

Estimate: Negligible

1.420 Archer Medical Savings Accounts

Under the January 1, 1998 Code, Massachusetts allowed a deduction for an Archer Medical Savings Account (MSA) contribution only for individuals who were active MSA participants before January 1, 2001. As a result of recently enacted legislation that aligned the Massachusetts tax code with the Internal Revenue Code as of January 1, 2005, Massachusetts adopts the federal deduction for Archer MSA contributions made on or after January 1, 2005 for all federally qualified individuals.

Origin: IRC § 220

Estimate: Negligible

1.421 Deduction for Clean-Fuel Vehicles and Certain Refueling Property

A federal and Massachusetts deduction is allowed for a portion of the cost of qualifying motor vehicles that use clean-burning fuel. Under the January 1, 1998 Code, this deduction was due to expire for vehicles placed in service after December 31, 2004. As a result of recently enacted legislation that aligned the Massachusetts tax code with the

Internal Revenue Code as of January 1, 2005, Massachusetts adopted the new federal provision allowing the deduction for vehicles placed in service on or before December 31, 2006.

Origin: IRC §§ 62(a)(14) and 179A

Estimate: Negligible

1.422 Health Savings Accounts

Massachusetts adopted the federal deduction allowed to individuals for contributions to a Health Savings Account, subject to federal limitations, which are adjusted annually for inflation. For calendar year 2012, the maximum deduction limit is \$3,100 for an individual plan and \$6,250 for a family plan. Filers age 55 or older may increase the maximum deduction by \$1,000.

Origin: IRC §§ 62(a)(19) and 223

Estimate: \$12.3

1.423 Commuter Deduction

(Note: item 1.423 was formerly the temporary Tuition and Fees Deduction)

For tax years beginning on or after January 1, 2006, individuals may deduct certain commuting costs paid in excess of \$150 for:

- Tolls paid through the Massachusetts FastLane account; and
- The cost of weekly or monthly passes for MBTA transit, bus, commuter rail, or commuter boat.

The total amount deducted may not exceed \$750 per individual. Amounts paid must be reduced by any amounts reimbursed or otherwise deductible.

Origin: M.G.L. Chapter 62, § 3 (B) (a) (15)

Estimate: \$7.5

1.424 Self-Employed Health Insurance Deduction

Massachusetts adopts the federal deduction allowed to self-employed individuals for premiums on health insurance. Insurance may be for the individual, spouse, or family member. The insurance must be established under the self-employed individual's business.

Origin: IRC § 162(I)

Estimate: \$48.4

1.425 Student Interest Loan Deduction (allowed Federally or by Massachusetts)

Massachusetts allows as an option the federal "interest on education loans" deduction. The federal deduction phases out based on modified AGI. As a result of the 2005 Code Update, Massachusetts adopted the federal provision that temporarily repealed the 60 month limitation raised taxpayer income limitations through the end of 2010. Note that

while the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) and Jobs and Growth Tax Relief Reconciliation Act of 2003 (JEGTRRA) have been temporarily extended at the federal level, these increases still sunset in Massachusetts at the end of 2010.

Alternatively, Massachusetts allows a deduction of undergraduate student loan interest. Filers may only choose one of these deductions.

Origin: M.G.L. c. 62, § 2(d)(1) and I.R.C. §§ 62(a)(17), 221.

Estimate: \$32.6

1.426 Expenses of Human Organ Transplant

Massachusetts allows the expenses incurred in the donation of a human organ to be deducted from taxable income.

Origin: M.G.L. c. 62, § 3 (a) (16)

Estimate: \$0.5

**1.600 CREDITS AGAINST TAX**

1.601 Renewable Energy Source Credit

Owners and tenants of residential property located within Massachusetts who are not dependents and who occupy the property as a principal residence are allowed a credit up to \$1,000, or an amount equal to 15% of the cost of a renewable energy source. Unused credits may be carried forward for three years. Credit is neither transferable nor refundable.

Origin: M.G.L. c. 62, § 6(d)

Estimate: \$1.4

1.602 Credit for Removal of Lead Paint

A tax credit is provided in the amount of the cost of removing or covering lead paint on each residential unit up to \$1,500. A seven-year carryover of any unused credit is permitted. Credit is neither transferable nor refundable.

Origin: M.G.L. c. 62, § 6(e)

Estimate: \$2.3

1.603 EDIP/Economic Development Incentive Program Credit

Businesses investing in qualified property in an Economic Opportunity Area are entitled to a credit against tax of 5% of the cost of the property. To qualify for the 5% credit, the property must be used exclusively in a certified project in an Economic Opportunity Area. To be certified, the Economic Assistance Coordinating Council must approve a project. See item # 2.605. Credit is not transferable, but is refundable for specified project types.

Origin: M.G.L. c. 62, § 6(g)

Estimate: \$2.8

1.604 Credit for Employing Former Full-Employment Program Participants

Employers who continue to employ former participants of the S.110(1) full employment program in non-subsidized positions are eligible to receive a tax credit equal to \$100 per month for each month of non-subsidized employment, up to a maximum of \$1,200 per employee, per year.

Origin: St. 1995, c. 5, § 110(m)

Estimate: Expired

1.605 Earned Income Credit

Effective January 1, 1997, taxpayers were allowed a refundable credit against Massachusetts tax equal to 10% of the amount of the earned income credit claimed on their federal individual income tax returns. Effective January 1, 2001, the allowed percentage was increased to 15%. Note that, since the state credit amount is based on the federal, and changes, temporary or permanent, to the calculation of the federal credit will be automatically reflected in credit claims made against state tax. Note that while credit is refundable, it is not transferable.

Origin: M.G.L. c. 62, § 6(h)

Estimate: \$130.1

1.606 Septic System Repair Credit

Taxpayers required to repair or replace a failed cesspool or septic system pursuant to the provisions of Title V, as promulgated by the Department of Environmental Protection in 1995, are allowed a credit equal to 40% of the design and construction costs incurred (less any subsidy or grant from the Commonwealth), up to a maximum of \$1,500 per tax year and \$6,000 in total. Unused credits may be carried forward for up to three years. Credit is neither transferable nor refundable.

Origin: M.G.L. c. 62, § 6(i)

Estimate: \$11.2

1.607 Low Income Housing Tax Credit

The Low-Income Housing Credit is administered by the Massachusetts Department of Housing and Community Development (DHCD) for the purpose of promoting the construction or development of low income housing. The LIHC is not subject to the 50% limitation rule for corporate taxpayers. If the taxpayer disposes of the property generating the LIHC, a portion of the credit may be subject to recapture.

Under prior law, the Massachusetts low-income housing tax credits were available only to taxpayers who had been allocated federal low-income housing tax credits. Effective August 1, 2010, the Act allows the Department of Housing and Community Development to grant state low-income housing credits (within the annual cap) to otherwise eligible projects that

do not receive a federal low-income housing credit. Note that the annual cap will temporarily increase from \$50 million per year to \$100 million per year for tax years 2013 and 2014.

The credits may be carried forward for up to 5 years; they may be transferred or sold to another taxpayer, but are not refundable. See also Corporate item 2.609.

Origin: M.G.L. c. 62, § 6I a

Estimate: \$0.9

1.608 Brownfields Credit

Recent legislation extended the Brownfields credit to nonprofit organizations, extended the deadline for incurring eligible costs, and permitted the credit to be transferred, sold, or assigned. Legislation changed the commencement cut-off date from August 5, 2011 to August 5, 2013, and the time for incurring eligible costs that qualify for the credit to January 1, 2014.

The amount of the credit varies according to the extent of the environmental remedy. If the taxpayer's permanent solution or remedy operation status includes an activity and use limitation, then the amount of the credit is 25% of the net response and removal costs incurred by the taxpayer. However, if there is no activity and use limitation, then the amount of the credit is 50% of the net response and removal costs. Note that although recent legislation made these credits transferable to another taxpayer, they are not refundable.

Origin: M.G.L. c. 62, §6 (j)

Estimate: \$5.6

1.609 Refundable State Tax Credit Against Property Taxes for Seniors ("Circuit Breaker")

Seniors are eligible for a tax credit to the extent that their property taxes - or 25% of rent - exceed 10% of their income. Income limits and a cap on the maximum assessed value of the filer's primary residence apply. The maximum credit is also adjusted annually for inflation. The maximum base credit was \$385 for tax year (TY) 2001, \$790 for TY02, \$810 for TY03, \$820 for TY04, \$840 for TY05, \$870 for TY06, \$900 for TY07, \$930 for TY08, \$960 for TY09, \$970 for TY10, \$980 for TY11 and \$1,000 for TY12.

Income limits and the maximum credit are adjusted for inflation over a 1999 base year; however, chapter 136 of the Acts of 2005 increased the assessed home valuation to \$600,000 and set its base year to 2004. The credit may not be sold or transferred to another taxpayer, but are refundable.

Origin: M.G.L. c. 62, § 6 (k); Ch. 136 of the Acts of 2005.

Estimate: \$76.5

1.610 Historic Buildings Rehabilitation Credit

If a structure is listed on the National Historic Register and has been substantially rehabilitated in keeping with its historical character, it may qualify for this credit. To qualify, the project must be certified by the Massachusetts Historical Commission, which determines the amount of qualifying expenditures. Filers may claim up to 20% of their qualified rehabilitation expenditures. Credits may be carried forward for up to 5 years. The

expenditure for this item (combined with business filers claims, item 2.610) Chapter 131 of the Acts of 2010 extended the availability of the credit for an additional to December 31, 2017, with an annual cap of \$50 million. The credits may be sold or transferred to another taxpayer.

Origin: M.G.L. c. 62, § 6 J, Ch. 464 of the Acts of 2004, St. 2006, c. 123, §§ 51 and 65

Estimate: \$4.4

1.611 Film (or Motion Picture) Credit

Credit is transferable; see Corporate item 2.614 for details. Individual income tax filers engaged in the making of a motion picture are allowed two credits:

a) Payroll credit: This is a credit for the employment of persons within the Commonwealth in connection with the filming or production of 1 or more motion pictures in the Commonwealth within any consecutive 12 month period. The credit is equal to 25 percent of the total aggregate payroll paid by a motion picture production company that constitutes Massachusetts source income, when total production costs incurred in the Commonwealth equal or exceed \$50,000 during the taxable year. The term "total aggregate payroll" may not include the salary of any employee whose salary is equal to or greater than \$1,000,000.

b) Non-payroll production expense credit: Individual income tax filers are also allowed a credit equal to 25 percent of all motion picture related Massachusetts production expenses, not including the payroll expenses used to claim the aforementioned payroll credit. To be eligible for this credit, either Massachusetts motion picture production expenses must exceed 50 percent of the total production expenses for a motion picture or at least 50 percent of the total principal photography days of the film take place in the Commonwealth.

These tax credits are refundable at 90% of the approved credit amounts, or the amount of the tax credit that exceeds the tax due for a taxable year may be carried forward by the taxpayer to any of the 5 subsequent taxable years. Additionally, all or any portion of tax credits issued may be transferred, sold or assigned to other taxpayers with tax liabilities under chapter 62 (the individual income tax) or chapter 63 (the corporate or other business excise taxes). For applications submitted prior to January 1, 2007, film tax credits were capped at \$7,000,000 for any one motion picture production has; for applications submitted on or after January 1, 2007, there is no cap. Also, the sunset date for the film incentives statute has been extended from January 1, 2013 to January 1, 2023. See TIR 07-15 for more information.

Note that these credits are transferable, or refundable at 90% of face value.

Origin: St. 2007, c. 63; M.G.L. c. 63.

Estimate: \$2.0

1.612 Home Energy Efficiency Credits

Estimate: Expired

1.613 Medical Device User Fee Credit

Medical device companies that develop or manufacture medical devices in Massachusetts can claim a credit equal to 100% of the user fees paid by them when submitting certain medical device applications and supplements to the United States Food and Drug Administration. The credit is also transferable. For the personal income tax, the credit applies to any qualifying entity organized as a sole proprietorship, partnership, limited liability company, corporate trust or other business where the income is taxed directly. Note that although these credits are transferable to another taxpayer, they are not refundable.

Origin: M.G.L. c. 62, § 6 1/2, Ch. 145 of the Acts of 2006.

Estimate: Negligible

1.614 Dairy Farmers Credit

A taxpayer who holds a certificate of registration as a dairy farmer pursuant to section 16A of chapter 94 may be allowed a refundable income tax credit based on the amount of milk produced and sold. The total cumulative value of the credits authorized pursuant to this section combined with section 38Z of chapter 63 shall not exceed \$4,000,000 annually. These credits may not be sold or transferred to another taxpayer, but are refundable at 100% of face value.

Origin: M.G.L. c. 62, § 6 (o), Ch. 310 of the Acts of 2008 § 3.

Estimate: \$1.8

1.615 Conservation Land Credit

Filers who donate land for conservation in perpetuity for the use of all citizens of the Commonwealth can receive a credit of up to \$50,000. Approval of the donation is required from the Secretary of the Office of Energy & Environment Affairs.

The credits may not be sold or transferred to another taxpayer, but are refundable. The total credits that may be approved are capped at \$2.0 million annually.

Origin: M.G.L. c. 62, § 6 (p), Ch. 509 Acts of 2008 § 1-4.

Estimate: \$0.8

1.616 Employer Wellness Program Tax Credit

The 2012 Health Care Act establishes an Employer Wellness Program Tax Credit that is effective for tax years beginning on or after January 1, 2013 and is set to expire on December 31, 2017. The Employer Wellness Program Tax Credit was created to provide incentives for business to recognize the benefits of wellness programs with the goal of providing smaller businesses with an expanded opportunity to implement these programs. The credit is available to both chapter 62 and chapter 63 taxpayers (personal income taxpayers and corporate & business excise taxpayers).

The Department of Public Health will administer the credit program by: 1) determining standards for an Employer Wellness Program that will qualify for the credit; 2) approving a dollar amount of credit for a qualifying taxpayer and issue a certificate to be filed with the appropriate tax return; 3) by developing regulations and procedures with the Department of Revenue to implement the credit program. A business will apply to the Department of Public Health describing the proposed wellness program to be implemented by the

business and providing an estimated budget and applicable taxpayer identification number. The credit is set at 25 percent of the costs associated with implementing a "certified wellness program." The maximum amount of Employer Wellness Program Credits available to a taxpayer is \$10,000 in any tax year. The total amount of Employer Wellness Program Credits authorized by the Department of Public Health is subject to a \$15,000,000 annual cap starting calendar year 2013. The Employer Wellness Program Tax Credit is non-refundable and non-transferrable. However, the portion of the Employer Wellness Program Tax Credit that exceeds the tax for the taxable year may be carried forward and applied against such taxpayer's tax liability in any of the succeeding 5 taxable years.

Origin: St. 2012, c. 224, §§ 41, 41A, 56, 56A, 238, 239, 297, and 298. M.G.L. c. 62, § 6N; M.G.L. c. 63, § 38FF.

Estimate: \$9.4

**1.617 Community Investment Tax Credit**

The 2012 Jobs Act provides a Community Investment Tax Credit that is effective January 1, 2014 and is set to expire on December 31, 2019. It was created to enable local residents and stakeholders to work with and through community development corporations to partner with nonprofit, public and private entities to improve economic opportunities for low and moderate income households and other residents in urban, rural and suburban communities across the commonwealth. The credit is available to both chapter 62 and chapter 63 taxpayers (personal income taxpayers and corporate & business excise taxpayers).

The Department of Housing and Community Development will administer the credit program by: 1) issuing a certification to a taxpayer after the taxpayer makes a qualified investment; 2) authorizing a dollar amount of credit for a qualified investment; 3) developing regulations and procedures with the Department of Revenue to implement the Community Investment Credit.

The certification will be acceptable as proof that the expenditures related to such investment constitute qualified investments for purposes of the community investment credit. The Community Investment Credit is set at 50 percent of the total qualified investments made by a taxpayer in a "community partner," i.e., a "community development corporation" or a "community support organization," selected by the Department of Housing and Community Development through a competitive process. A qualified investment must be in the form of a cash contribution of at least \$1,000. A taxpayer may invest in more than one community partner, but may not claim more than \$1,000,000 of credits in any single taxable year. A taxpayer must claim the credit in the taxable year in which a qualified investment is made. The total amount of Community Investment Credits is subject to a \$3,000,000 cap in 2014, and an annual cap of \$6,000,000 in 2015 to 2019, inclusive. This credit is non-refundable, but it is transferrable and it could be carried over up to five years.

Origin: St. 2012, c. 238, §§ 29, 30, 35, 36; M.G.L. c. 62, § 6M; M.G.L. c. 63, § 38EE

Estimate: \$0.8

<b>KEY</b>	<b>ORIGIN</b>	
	<b>IRC</b>	Federal Internal Revenue Code (26 U.S.C.)
	<b>U.S.C</b>	United States Code
	<b>M.G.L.</b>	Massachusetts General Laws

**Rev. Rul.; C.B.** Revenue Ruling; Cumulative Bulletin of the U.S.  
Treasury  
**ESTIMATES** All estimates are in \$ millions.

<sup>1</sup> 1 This item and others citing this endnote cover employee fringe benefits. We accept as standard the following treatment of these benefits: the expense incurred by the employer in providing the benefit is properly deductible as a business expense and the benefit is taxed as compensation to the employee as if the employee had received taxable compensation and then used it to purchase the benefit. Of course, there are problems with this analysis. In some cases, the "benefit" is more a condition of employment than a true benefit. For example, a teacher required to have lunch in the school cafeteria may prefer to eat elsewhere even if the school lunch is free. On the other hand, in many cases the provision of tax-free employee benefits is clearly a substitution for taxable compensation.

<sup>2</sup> 2 This item and others citing this endnote cover contributory pension plans. The standard tax treatment of these plans is as follows:

Component	Standard Treatment
Contributions:	Made out of income that is currently taxed to employees.
Investment Income:	Taxed to the employee as "earned" income.
Distributions from Pension Funds:	Tax-free to the extent they are made out of dollars previously taxed to the employees as contributions or investment income.

The non-standard treatment of contributions, investment income, or distributions as described in items 1.006, 1.101, 1.104, and 1.402, results in either nontaxation or deferrals of tax.

<sup>3</sup> 3 FY14 estimates for the basic personal exemptions and the no-tax status discussed in the introduction to the personal income tax are (in millions of dollars):

- Personal exemption for single taxpayers: \$310
- Personal exemption for married couples: \$562
- Personal exemption for married taxpayers filing separately: \$15
- Dependents exemption: \$94
- Personal exemption for heads of households: \$102
- Limited income credits: \$15
- No tax status: \$16



## ***Introduction - Corporate Excise Tax***

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Beginning last year, the corporate section of the Tax Expenditure Budget includes other business excises along with the corporate excise. These additional business excise taxes are the financial institution excise, the public utility excise, the excises on insurance companies, and the excise on security corporations. The financial institution excise and the public utility excise are structured similarly to the corporate excise. They begin with federal net income with certain Massachusetts modifications, proceed to additional Massachusetts deductions, apply the appropriate apportionment percentage, apply the appropriate tax rate to compute the excise due before credits and apply credits to reach the final excise due. The revenue estimates for the items in the list will now reflect their use by financial institutions and public utilities. Note that most of the expenditure items are unavailable to insurance companies as these companies are not taxed on net income. However, insurance companies can apply certain credits to reduce their excises. Credits available to insurance companies are so indicated within the item descriptions and the revenue estimates for these credits will reflect their use.

In Fiscal Year 2012, revenues from the corporate excise and the other business excises mentioned above represented 11.0% of total Department of Revenue tax collections. Together these taxes ranked third in Fiscal Year 2012 in terms of total taxes collected, after the individual income tax and the sales and use tax.

### **Corporate Excise: Short History and Basic Structure**

The corporate excise was enacted in 1919, replacing a corporate franchise tax, which was levied on the value of capital stock. Initially, the corporate excise was imposed on corporate excess and on net income.

In 1962, the corporate excess measure was repealed. The corporate excise tax is now levied on tangible property or net worth (depending on the mix of property held by the corporation) and on net income.

#### **Tax Base:**

Most business corporations are subject to tax under the corporate excise which has three components: an income measure, a non-income measure, and a minimum excise.

The income measure of the tax is based on net income for federal tax purposes with certain additions, such as interest earned on state obligations, and certain deductions, most of which are allowable under the provisions of the Internal Revenue Code. Many of the deductions are considered to be part of the basic structure. For example, in providing for depreciation deductions, the basic structure would allow the cost of property to be written-off evenly over its useful life (so-called "straight-line depreciation"). However, rules that allow accelerated depreciation deductions are listed as tax expenditures.

Under the non-income measure, corporations with qualifying tangible assets in Massachusetts that equal or exceed 10% of their qualifying total assets in Massachusetts (apportioned according to their income apportionment percentages) are taxed on the values of their tangible properties. Other corporations are taxed on a net worth basis.

The minimum excise is \$456.

**Taxable Unit:** A corporation is a taxpayer separate and distinct from its shareholders.

**Rate Structure:** Since January 2010, the rates have been scheduled to decline (see Appendix A for further details). However, the minimum excise remains unchanged at \$456. Corporate tax expenditure items take into account these tax rate changes. The current (TY2013) excise rate on C-corporations is 8.00% of net income apportioned to Massachusetts, and \$2.60 per \$1,000 of the value of Massachusetts tangible property or net worth allocable to Massachusetts. The excise rate on S-corporations is 2.75% for companies with total receipts greater than \$9M, and 1.83% for companies with total receipts between \$6M and \$9M. The tax rate on tangible property or net worth is the same as for C-corporations. No further decline of tax rate is scheduled.

**Taxable Period and Net Operating Loss Carry-forward:** The taxable periods for corporations are diverse and can be chosen by each tax filer. Estimated payments are made every three months during the taxable period. Net operating loss carry-forwards are allowed for future deductions. Before January 2010, qualifying losses could be carried forward up to five years. However, there was a statutory expansion of the general NOL carry-forward period from 5 to 20 years for business corporations. Refer to Appendix A for details.

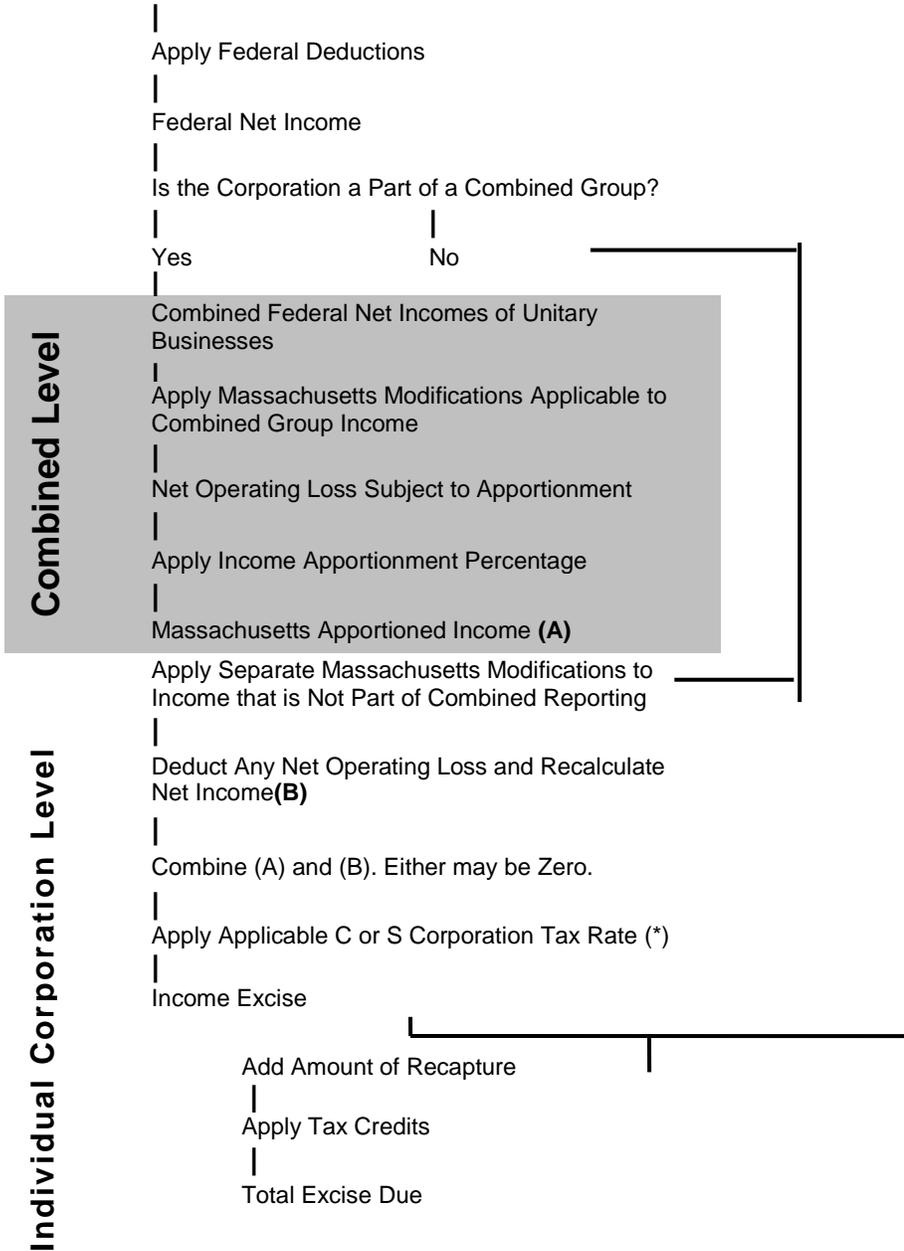
**Interstate and International Aspects:** All domestic and foreign corporations with nexus in Massachusetts are subject to the corporate excise. Corporations are required to apportion their net incomes if they have incomes from business activity that is taxable in another jurisdiction using a formula based on the proportions of corporate real and tangible personal property, payroll, and sales that are located in Massachusetts. Under certain circumstances, taxpayers may petition for, or the Commissioner may impose, alternative methods of accounting to reflect more fairly a taxpayer's income from business operations in Massachusetts.

**Combined Reporting:** Since January 1, 2009, Massachusetts has required certain businesses engaged in a unitary business to calculate their income on a combined basis. A corporation is subject to this requirement if it is subject to a tax on its income under Massachusetts General Laws (M.G.L.) c. 63, §2, §2B, §32D, §39 or §52A and it is engaged in a unitary business with one or more other corporations under common control, whether or not the other corporations are taxable in Massachusetts. Those certain businesses can be general corporations, financial institutions, or public utilities. Note that combined reporting does not apply to the non-income measure of corporate excise.

## The Other Business Excises

The other business excises possess some different features from the corporate excise. First, many of the financial institutions and public utilities still do not qualify for combined reporting, and no insurance companies are subject to combined reporting. Second, these businesses are not allowed to take net operating loss deductions. Third, financial institutions and public utility companies weigh the three apportionment factors (sales, payroll, property) equally. Fourth, the main tax base of insurance companies is the insurance premiums those companies have charged. Fifth, some credits such as the investment tax credit are not applicable to these businesses. There are some additional differences. For further details, refer to the applicable tax return forms. The basic structures of the excises for these businesses are described in the diagrams that follow.





(\*) See Appendix A for further details. Except for non-income excise, this diagram applies to all combined filers.

**Computation of the Financial Institution Excise(Non-Combined Reporting)**

**Financial Institution Excise**

Federal Net Income

|

Apply Massachusetts Modifications

|

Total Net Income Before Massachusetts Deductions

|

Subtract Additional Massachusetts Deductions

|

Adjusted Net Income

|

Apply Apportionment Percentage

|

Massachusetts Taxable Income

|

Apply Applicable Financial Institution Tax Rate \*

|

Apply Credits

|

Total Excise Due

\* See Appendix A for Details

**Computation of Massachusetts Public Utilities Organization Excises(Non-Combined Reporting)**

**Public Utility Company Excise**

Federal Net Income

|

Apply Massachusetts Modifications

|

Total Net Income Before Massachusetts Deductions

|

Subtract Additional Massachusetts Deductions

|

Adjusted Net Income

|

Apply Income Apportionment Percentage

|

Massachusetts Taxable Income

|

Apply Tax Rate at 6.5%

|

Total Excise Due Before Applying Credits

|

Apply Credits

|

Total Excise Due

***Computation of the Security Corporation Excise***

**Security Corporation Excise**

Federal Gross Income

|

Add State and Municipal Bond Interest

|

Adjustments to Income

|

Apply Applicable (Class 1 or Class 2) Excise Rate \*

|

Apply Credits

|

Total Excise Due

\* See Appendix A for Details

## Summary of 2011 Tax Forms for Insurance Companies

Tax Form	Type of Company	Foreign or Domestic	Base of Tax	Tax Rate	Retaliatory Tax Provision
63-20P	Life Insurance	Domestic	Taxable life, accident and health insurance premiums, net value of policies	2% on life and acc./health ins. premiums	N/A
	Life Insurance	Foreign	Taxable life insurance premiums attributable to Massachusetts, accident and health insurance premiums	2% on all premiums	Yes
63-23P	Insurance Companies, except Life Insurance or Ocean Marine	Domestic	Taxable (non-life) insurance premiums and gross investment income	2.28% on premiums; then: 1%, 0.8%, 0.6%, 0.4%, 0.2% or 0.0% on investment income	N/A
	Insurance Companies, except Life Insurance or Ocean Marine	Foreign	Taxable premiums for insurance of property or interests attributable to Massachusetts	2.28%	Yes
	Preferred Providers (Accident and Health Insurers, Nonprofit Hospitals, HMO's, and other nonprofit medical, optometric or dental companies)	Domestic and Foreign	Gross premiums for coverage of persons who reside in Massachusetts	2.28%	N/A

## Types of Tax Expenditures

As with the personal income tax, the basic structure of the corporate excise tax is subject to several different types of modifications that can produce tax expenditures.

**Exclusions from Gross Income:** Gross income is the starting point in the calculation of the income component of the corporate excise. In the absence of tax expenditures, it would include all income received from all sources. Items of income that are excluded from gross income escape taxation permanently.

**Deferrals of Gross Income:** Where an item of income is not included in gross income in the year when it is actually received, but is instead included in a later year, the result is a tax expenditure in the form of an interest-free loan from the state to the taxpayer in the amount of the tax payment that is postponed.

**Deductions from Gross Income:** Certain amounts are subtracted from gross income to arrive at taxable income. Many of these deducted amounts reflect the costs of producing income (business expenses) and are not included in the corporate income measure of excise; such deductions are not tax expenditures. Other deductions, which do not reflect business expenses, but permit income to escape taxation permanently, do constitute tax expenditures.

**Accelerated Deductions from Gross Income:** In a number of cases, corporations are allowed to deduct business expenses from gross income at a time earlier than such expenses would ordinarily be recognized under accepted accounting principles. The total amount of the permissible deduction is not increased but it can be utilized more quickly to reduce taxable income. The result is to defer taxes, thus in effect occasioning an interest-free loan from the state to the taxpayer.

**Adjustments to Apportionment Formula:** In the case of a business that earns income both inside and outside the Commonwealth, an apportionment formula is used to determine what portion of the total business income to allocate to Massachusetts for the calculation of corporate excise. When the standard formula is adjusted to reduce the apportionment ratios for certain businesses, tax expenditures result. The practical effect is to exclude certain portions of those business incomes from taxation.

**Exclusions from Property Component:** In addition to the excise based on income, corporations pay the excise tax based on the value of their property in the state. To the extent that certain classes of property are not included in the excise's property measure, tax expenditures result.

**Credits against Tax:** After a corporation has computed its basic tax liability, it may subtract certain credit amounts in determining the actual amount of taxes due. It is important to note that, whereas one-dollar exclusion or deduction results in tax savings of only a few cents (one dollar times the applicable tax rate), one-dollar credit generally results in one-dollar tax saving.



## ***List of Corporate and Other Business Excise Tax Exemptions***

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### **2.000 EXCLUSIONS FROM GROSS INCOME**

#### **2.001 Small Business Corporations**

In general, corporations organized under, or subject to, Chapters 156, 156A, 156B, 156C, 156D or 180 of Massachusetts General Laws (M.G.L.) or that have privileges, powers, rights or immunities not possessed by individuals or partnerships are subject to corporate excise. Certain corporations with no more than 100 shareholders may elect to be taxed, for both federal and state tax purposes, as "S corporations."

There are two categories of income that are taxable to an S corporation at the entity level: 1) Income that is taxable to the S corporation at the entity level for federal purposes. Generally, S corporations are not subject to an entity-level tax for federal purposes, but some categories of income are taxable. Those amounts are taxable to S corporations in Massachusetts at the regular corporate / financial institution rates; 2) Other income to the corporation is subject to the reduced corporate rates that apply only to S corporations.

More details about the tax on the second category of income are following. The earnings of S corporations with total receipts of less than \$6 million are not generally subject to taxation at the corporate level. As of 2013, S corporations with total receipts of \$6 million or more are subject to a reduced corporate excise: 1.83%(\*) for non-financial institutions and 2.5%(\*) for financial institutions if receipts are \$6 million or more but less than \$9 million, and 2.75%(\*) for non-financial institutions and 3.75%(\*) for financial institutions if receipts are \$9 million or more. In addition, S corporation net earnings (and losses) are attributed directly to shareholders (whether or not they are distributed as dividends) and are taxed at the individual shareholder level, generally at the applicable personal income tax rate (5.25% since 2012).

The difference between the manner in which income is taxed to an ordinary business corporation (including its shareholders) and an S corporation and its shareholders constitutes a tax expenditure. Massachusetts first adopted this treatment of corporations in 1986.

(\*) See Appendix A for further details on corporate rate change.

Origin: IRC, §§ 1361-1363; M.G.L. c. 62, § 17A; M.G.L. c. 63, §§ 23, 32D

Estimate: \$98.6

#### **2.002 Exemption of Income from the Sale, Lease or Transfer of Certain Patents**

Income from the sale, lease or other transfer of approved patents for energy conservation, and royalties and income from the sale, lease or other transfer of property subject to such patents are excluded from gross income for a period of five years.

Origin: M.G.L. c. 63, § 30.3

Estimate: negligible

**2.100 DEFERRALS OF GROSS INCOME****2.101 Deferral of Tax on Certain Shipping Companies**

Certain companies with merchant marine capital construction funds receive up to a 25-year deferral of tax on that portion of their net income, which is set aside for construction, modernization, and major repair of ships.

Origin: IRC, § 7518

Estimate: \$1.0

**2.200 DEDUCTIONS FROM GROSS INCOME****2.201 Charitable Contributions and Gifts Deduction**

In computing net income, corporations may deduct charitable donations up to 10% of taxable incomes computed without the deductions. There is a carryover of excess contributions available for five succeeding taxable years.

Origin: IRC, § 170 (b)(2)(A), (d)(2)(A)

Estimate: \$48.8

**2.203 Net Operating Loss Carry-Over**

There has been a statutory expansion of the general NOL carry-forward period from 5 to 20 years for business corporations, for taxable years beginning on or after January 1, 2010. There has also been a change to the calculation of an NOL carry-forward, and for tax years beginning on or after January 1, 2010; all carry-forward losses of eligible business corporations are to be carried forward on a post-apportioned basis, applying the apportionment percentages of the corporations for the taxable year in which the losses are sustained. Financial institutions, public utilities, and insurance companies, which do not belong to regular corporate tax types, are not allowed to deduct NOL.

Origin: IRC, § 172; M.G.L. c. 63, § 30.5; TIR 10- 15.

Estimate: \$122.8

**2.204 Excess Natural Resource Depletion Allowance**

Taxpayers in extractive industries (mining or drilling for natural resources) may deduct a percentage of gross mining income as a depletion allowance ("percentage depletion") even if the cost basis of the property has been reduced to zero. The deduction may not exceed 50% (in some cases, 100%) of net income from the property. In the case of oil and gas, percentage depletion is available only to domestic oil and gas sold by "independent producers" (nonintegrated companies). The excess of the deduction, which is available using the percentage of gross income method of depletion over a depletion deduction based on cost, is a tax expenditure.

Origin: IRC, §§ 613, 613A; M.G.L. c. 63, § 30.3.

Estimate: \$0.1

2.205 Deduction for Certain Dividends of Cooperatives

Farmers' cooperatives and certain corporations acting as cooperatives may deduct patronage dividends and other amounts from gross income. Cooperatives meeting certain requirements may deduct dividends on capital stocks and certain payments to patrons such as investment income. Under generally accepted rules for taxing corporations, the corporation cannot deduct dividends paid to shareholders.

Origin: IRC, §§ 1381-1383

Estimate: N.A.

2.206 Economic opportunity areas; tax deduction for renovation of abandoned buildings

Businesses renovating eligible buildings in Economic Opportunity Areas may deduct 10% of the costs of renovation from gross incomes. This deduction may be in addition to any other deduction for which the cost of renovation may qualify. To be eligible for this deduction, renovation costs must be related to buildings designated as abandoned by the Economic Assistance Coordinating Council.

Origin: M.G.L. c. 63, §38O

Estimate: Negligible

**2.300 ACCELERATED DEDUCTIONS FROM GROSS INCOME**

2.301 Modified Accelerated Cost Recovery System on Rental Housing

Landlords and investors in rental housing may use accelerated methods of depreciation for new and used rental housing. Straight-line depreciation over the property's expected useful life is the generally accepted method for recovering cost, which is close to economic depreciation. However, through the past decades, the systems which adopt accelerated depreciation methods have been introduced. The current system is MACRS (Modified Accelerated Cost Recovery System) which was enacted in 1986. This system further accelerated the rate of recovery of depreciation than under ACRS (Accelerated Cost Recovery System) which was enacted in 1981. Differences between MACRS and ACRS are 1) deductions from the 150-percent declining balance method to the 200-percent declining balance; 2) certain assets were reclassified and the number of asset classes (80) was increased; and 3) the recovery period for residential rental property was extended to 27.5 years and for nonresidential real property to 31.5 years. For details, refer to the document, "Background and Present Law Relating to Cost Recovery and Domestic Production Activities", which was published by the Joint Committee on Taxation in their homepage on March 6th, 2012.

The excess of allowable depreciation over the generally accepted depreciation constitutes a tax expenditure, resulting in a deferral of tax or an interest-free loan.

Origin: IRC § 168

Estimate: \$2.7

2.303 Expenditures to remove architectural and transportation barriers to the handicapped and elderly

Taxpayers may elect to deduct up to \$15,000 of the costs of removing architectural or transportation barriers to the handicapped in the year these costs are incurred. The immediate deduction of these expenditures, which would otherwise have to be capitalized and depreciated over a longer period, constitutes a tax expenditure, resulting in a deferral of tax or an interest-free loan.

Origin: IRC, § 190

Estimate: \$0.6

#### 2.304 Election to Deduct and Amortize Business Start-up Costs

Taxpayers who pay or incur business start-up costs and who subsequently enter the trade or business can elect to expense up to \$5,000 of the costs. The \$5,000 deduction amount is reduced dollar for dollar when the start-up expenses exceed \$50,000. The balance of start-up expenses (if any) is amortized over a period of not less than 180 months, starting with the month in which the business begins. The election must be made no later than the date (including extensions) for filing the return for the tax year in which the business begins or is acquired. A taxpayer is deemed to have made an election to deduct and amortize start-up expenses for the tax year in which the active trade or business to which the expenses relate begins. A taxpayer who does not make the election must capitalize the expenses.

Origin: IRC, § 195

Estimate: \$0.2

#### 2.305 Modified Accelerated Cost Recovery System for Equipment

For depreciable tangible personal property placed in service after 1980, capital costs may be recovered using the Accelerated Cost Recovery System (ACRS), which applies accelerated methods of depreciation over set recovery periods. For property placed in service after 1987, Massachusetts has adopted the Modified Accelerated Cost Recovery System (MACRS), which generally uses double declining balance depreciation over specified periods that are substantially shorter than actual useful lives (200% declining balance for 3-, 5-, 7- and 10-year recovery property and 150% declining balance for 15- and 20-year property). The excess of accelerated depreciation over economic depreciation constitutes a tax expenditure, resulting in a deferral of tax or an interest-free loan.

For the past decade, the federal government has allowed "bonus depreciation" which further accelerates depreciation for assets placed in service in certain years. However, Massachusetts does not follow it.

For a more detailed description, refer to the description for item 2.301

Origin: IRC, § 168

Estimate: \$190.6

#### 2.306 Deduction for Excess First-Year Depreciation

Taxpayers may elect to expense certain business assets purchased during the taxable year. American Taxpayer Relief Act of 2012 (enacted January 1, 2013) increased the

benefits, making changes to IRC sec. 179. For tax year 2012, Massachusetts adopts the increased federal amounts provided by IRC sec. 179. Hence, the total deduction cannot exceed \$500,000; for taxpayers whose investment in eligible assets exceeds \$2,000,000 in the year, the \$500,000 ceiling is reduced by \$1 for each dollar of investment above \$2,000,000. Any remaining cost may be depreciated according to MACRS as described in item 2.305. The immediate deduction constitutes a tax expenditure, resulting in a deferral of tax or an interest-free loan.

Origin: IRC, § 179

Estimate: \$21.3

**2.307 Modified Accelerated Depreciation on Buildings (other than Rental Housing)**

Construction may be depreciated under methods which produce faster depreciation than economic depreciation. The precise rules have been changed repeatedly in recent years by revisions of the federal tax code. For structures (other than housing) placed in service after 1986, federal law requires straight-line depreciation over a 31.5 year life. The excess of accelerated depreciation over economic depreciation is a tax expenditure. For a more detailed description of accelerated depreciation, see the description for item 2.301.

Origin: IRC, § 168

Estimate: \$1.3

**2.308 Expensing Research and Development Expenditures in One Year**

Taxpayers may elect to treat research or experimental expenditures incurred in connection with a trade or business as immediately deductible expenses. Under generally accepted accounting principles, at least some of these costs would otherwise be treated as capital expenditures and depreciated or amortized over a period of years. Their immediate deduction constitutes a tax expenditure, resulting in a deferral of tax or an interest-free loan.

Origin: IRC, § 174

Estimate: \$83.9

**2.309 Expensing Exploration and Development Costs**

Certain capital costs incurred in bringing a known mineral deposit into production are deductible in the year incurred. A portion of domestic mining exploration costs can also be expensed, although they will be recaptured if the mine reaches the production stage. Certain intangible drilling and development costs of domestic oil, gas, and geothermal wells are deductible when made, but to a certain extent may be recaptured upon disposition of oil, gas, or geothermal property to which they are properly chargeable. The immediate expensing of these costs, which would otherwise be capitalized and recovered through depreciation or through depletion as the natural resource is removed from the ground, constitutes a tax expenditure resulting in a deferral of tax or an interest-free loan.

Origin: IRC, §§ 193, 263(c), 616, 617; M.G.L. c. 63, § 30.4.

Estimate: Negligible

## 2.311 Five-Year Amortization of Pollution Control Facilities

Taxpayers may elect to amortize the cost of a certified pollution control facility over a five-year period, allowing for accelerated recovery of these costs. Accelerated recovery is only available for pollution control facilities subsequently added to plants that were in operation before 1976. The excess of accelerated recovery over depreciation deductions otherwise allowable constitutes a tax expenditure, resulting in a deferral of tax or an interest-free loan.

Origin: IRC, § 169

Estimate: N.A.

## 2.312 Alternative energy sources; deduction

In determining net income, a corporation may elect to take an immediate deduction for expenditures made for certain solar or wind powered systems or units located in Massachusetts and used exclusively in the business, in lieu of all other deductions and credits including the deduction for depreciation. Without this provision, such expenditures would have to be capitalized and depreciated. The immediate deduction constitutes a tax expenditure, resulting in a deferral of tax or an interest-free loan.

Origin: M.G.L. c. 63, § 38H

Estimate: \$0.4

## 2.313 Seven-Year Amortization for Reforestation

Taxpayers may elect to amortize reforestation costs for qualified timber property over a seven-year period. In the absence of this special provision, these costs would be capitalized and depreciated over a longer period or recovered when the timber is sold. The accelerated cost recovery constitutes a tax expenditure, resulting in a deferral of tax or an interest-free loan.

Origin: IRC, § 194

Estimate: \$0.1

**2.400 ADJUSTMENTS TO APPORTIONMENT FORMULA**

## 2.401 Unequal Weighting of Sales, Payroll, and Property in the Apportionment Formula

Corporations with a presence in Massachusetts and other states allocate income to the Commonwealth using a three-factor apportionment formula. A corporation's sales, payroll, and property in Massachusetts are compared to those outside Massachusetts.

Exporters benefit from an apportionment formula that weights sales more heavily than the other factors. Effective January 1, 1996, eligible defense corporations are allowed to use a formula that weights sales 100%. For other qualified manufacturers, a 100% sales weight was phased-in over five years, and was fully effective January 1, 2000. All corporations other than mutual fund corporations (see below) will continue to use a formula that weights sales 50%.

Effective January 1, 1997 mutual fund corporations are allowed to attribute mutual fund

sales to Massachusetts based on the domicile of shareholders in the mutual funds. Effective July 1, 1997, mutual fund corporations are allowed to apportion their income to Massachusetts based solely on the percentage of sales to Massachusetts residents.

Comment: In listing this item, it is assumed that a standard apportionment formula gives equal weight to sales, property and payroll. The estimate is of the impact of departing from this standard formula.

In listing this item, it is assumed that a standard apportionment formula gives equal weight to sales, property and payroll. The estimate is of the impact of departing from this standard formula.

Origin: M.G.L. c. 63, § 38 (c), (k), (l), (m)

Estimate: \$319.2

**2.500 EXCLUSIONS FROM PROPERTY COMPONENT**

2.501 Nontaxation of Certain Energy Property

Tangible property qualifying for the deduction for expenditures for alternative energy described in item 2.312 is not subject to taxation under the tangible property measure of the corporate excise.

Origin: M.G.L. c. 63, § 38H(f)

Estimate: N.A.

2.502 Exemption for Property Subject to Local Taxation

In computing the state corporate excise on tangible property, property subject to tax at the local level is exempt. Generally, the state taxes only the machinery of manufacturing corporations and exempts business real estate and tangible personal property.

For purposes of estimating revenue loss from this tax expenditure, the state's rate on property (non-income measure), \$2.60 per \$1,000, has been applied.

Origin: M.G.L. c. 63, § 30(7)

Estimate: \$222.0

**2.600 CREDITS AGAINST TAX**

2.602 Investment Tax Credit

Manufacturing corporations and corporations engaged primarily in research and development, agriculture or commercial fishing are allowed to take a credit of 3% of the cost of depreciable real and tangible property. Such property must have a useful life of four years or more. The property must be used and located in Massachusetts on the last day of the taxable year. A corporation cannot take the credit on property which it leases to another. A corporation can take the credit on property which it leases from another (for property leased and placed in service on or after July 1, 1994). Generally, eligible corporate

lessees making qualifying leasehold improvements may claim the credit. A corporation may carry over to the next succeeding three years any unused portion of its Investment Tax Credit (ITC), but it is neither transferable nor refundable.

To be consistent with all other estimates in this document, this estimate is based on actual investment tax credit claims of corporations from the most recent Corporate Excise Returns Report, and does not take into account increased tax revenues resulted from greater economic activity induced by the investment tax credit (i.e., the estimate is "static", not "dynamic")

Origin: M.G.L. c. 63, § 31A (i), (j)

Estimate: \$74.7

2.603 Vanpool Credit

Businesses are allowed to take a credit of 30% of the cost incurred during the taxable year for the purchase or lease of company shuttle vans used in the Commonwealth as part of an employer-sponsored ridesharing program. The shuttle vans must be used for transporting employees. This credit is neither transferable nor refundable nor can it be carried forward.

Origin: M.G.L. c. 63, § 31E

Estimate: Negligible

2.604 Research Credit

A credit is allowed for corporations which made basic research payments and/or incurred qualified research expenses conducted in Massachusetts during the taxable year. A corporation taking the research credit is limited in the amount that can be taken against the excise in any year. The credit cannot reduce the tax to less than \$456. The amount of credit is equal to: 100% of the first \$25,000 of excise; and 75% of any amount of excise remaining after the first \$25,000. The deduction allowed to a corporation for any research expenses generating a Massachusetts Research Credit must be reduced by the amount of the credit generated. This amount is added back to income. Any corporation which is a member of a combined group may share excess research credits with other members of the combined group. Corporations which are members of a controlled group or which are under common control with any trade or business (whether or not incorporated) are treated as a single taxpayer for purposes of determining the allowable Research Credit. The credit may be carried forward for up to 15 years with certain restrictions, but neither transferable nor refundable.

Origin: M.G.L. c. 63, § 38M

Estimate: \$174.2

2.605 EDIP/Economic Development Incentive Program Credit

Pursuant to G.L. c. 62, § 6(g) and G.L. c. 63, § 38N, individuals and entities investing in qualified property for use exclusively in a certified project are entitled to a credit against tax for a percentage of the cost of the property. The credit is a key component of the Economic Development Incentive Program (EDIP) established pursuant to G.L. c. 23A. To be certified, the Economic Assistance Coordinating Council (EACC) must approve a project. The total dollar amount of the EDIPC that may be used in a calendar year is \$25

million. Included in the \$25 million annual cap are amounts (up to \$5 million) awarded pursuant to the certified housing development program authorized by G.L. 40V.

For projects certified prior to January 1, 2010: The project must be in an economic opportunity area and the credit is 5% of the cost of qualifying property. To qualify for the 5% credit, the property must be used exclusively in a certified project in an Economic Opportunity Area. The credit may be carried forward for up to 10 years with certain restrictions.

For projects certified after January 1, 2010: Sections 21 to 24 and 47 of chapter 166 of the Acts of 2009 made significant changes to EDIP. Under the amended provisions of the EDIP, the EACC may authorize taxpayers participating in certified projects to claim tax credits up to 40% of the cost of qualifying property. The EDIPC for manufacturing retention projects, if authorized by the EACC, may be refundable "at the option of the taxpayer". If the credit balance is refunded to the taxpayer, the carryover provisions shall not apply. This credit is not transferable.

Insurance companies, financial institutions, and public utilities, which do not belong to regular corporate tax types, are also allowed to apply for this credit.

Origin: M.G.L. c. 63, § 38N

Estimate: \$23.6

2.606 Credit for Employing Former Full-Employment Program Participants

Employers who continue to employ former participants of the S.110(1) full employment program in non-subsidized positions are eligible to receive a tax credit equal to \$100 per month for each month of non-subsidized employment, up to a maximum of \$1,200 per employee, per year.

Origin: St. 1995, c. 5, § 110(m); 830 CMR 118.1

Estimate: Not active

2.607 Harbor Maintenance Tax Credit

Corporations are allowed to take a credit against the corporate excise for certain harbor maintenance taxes paid to the U.S. Customs Service pursuant to IRC sec. 4461. A corporation is eligible for the credit if the tax paid is attributable to the shipment of break-bulk or containerized cargo by sea and ocean-going vessels through a Massachusetts harbor facility. The credit is not subject to the 50% limitation; however, it may not reduce the tax liability to less than the minimum excise of \$456. The credit may be carried forward for up to 5 years, but is neither refundable nor transferable.

Origin: M.G.L. c. 63, § 38P

Estimate: \$1.0

2.608 Brownfields Credit

Taxpayers are allowed to take a credit for amounts expended to rehabilitate contaminated property owned or leased for business purposes and located within an economically distressed area. The eligibility period for the Brownfields Credit has been lengthened. The

environmental response action commencement cut-off date has been extended by c. 240 of the Acts of 2010 from August 5, 2005 to August 5, 2013 and the time for incurring eligible costs that qualify for the credit has been extended to January 1, 2014. The Brownfields Credit may be transferred, sold or assigned to another taxpayer with a liability under chapter 62 or chapter 63, or to a nonprofit organization, but it is not refundable. In addition, the credit may be carried forward for up to 5 years. The amount of the credit varies according to the extent of the environmental remedy. If the taxpayer's permanent solution or remedy operation status includes an activity and use limitation, then the amount of the credit is 25% of the net response and removal costs incurred by the taxpayer. However, if there is no activity and use limitation, then the amount of the credit is 50% of the net response and removal costs. Insurance companies, financial institutions, and public utilities, which do not belong to regular corporate tax types, are also allowed to apply for this credit.

Origin: M.G.L. c. 63, § 38Q

Estimate: \$35.1

#### 2.609 Low Income Housing Credit

The Low-Income Housing Credit is administered through the Massachusetts Department of Housing and Community Development (DHCD). The Low Income Housing Credit is available to taxpayers for the construction or development of low income housing. The amount of credit that a taxpayer may claim for a qualified Massachusetts project is allocated by the DHCD and is based on a total pool of money awarded to the Commonwealth. The LIHC is not subject to the 50% limitation rule for corporate taxpayers. If the taxpayer disposes of the property generating the LIHC, a portion of the credit may be subject to recapture.

Under prior law, the Massachusetts low-income housing tax credits were available only to taxpayers who had been allocated federal low-income housing tax credits. Effective August 1, 2010, the Act allows the Department of Housing and Community Development to grant state low-income housing credits (within the annual cap) to otherwise eligible projects that do not receive a federal low-income housing credit. Note that the annual cap will temporarily increase from \$50 million per year to \$100 million per year for tax years 2013 and 2014, but that this will not impact FY13.

The credit may be carried forward for up to 5 years and may be transferred or sold to another taxpayer, but it is not refundable. Insurance companies, financial institutions, and public utilities, which do not belong to regular corporate tax types, are also allowed to apply for this credit.

Origin: M.G.L. c. 63, § 31H

Estimate: \$44.3

#### 2.610 Historic Buildings Rehabilitation Credit

To claim this credit, a historic rehabilitation project must be complete and have been certified by the Massachusetts Historical Commission, which determines the amount of qualifying expenditures. Filers may claim up to 20% of their qualified rehabilitation expenditures.

Unused portions of the credit may be carried forward for up to 5 years and transferred or

sold to another taxpayer, but are not refundable. The HRC is not subject to the 50% limitation rule for corporate taxpayers. If the taxpayer disposes of the property generating the HRC, a portion of the credit may be subject to recapture.

The expenditure for this item (combined with the Historic Rehabilitation Credit for personal income tax filers, item 1.610) was originally capped at \$15 million per year, with a start date for the credit of January 1, 2005 and an end date of December 31, 2009. Chapter 123 of the Acts of 2006 extended the availability of the credit for an additional two years, to December 31, 2011. Again, Chapter 131 of the Acts of 2010 extended the availability of the credit for an additional 6 years to December 31, 2017, with an annual cap of \$50 million.

Insurance companies, financial institutions, and public utilities, which do not belong to regular corporate tax types, are also allowed to apply for this credit.

Origin: M.G.L. c. 63, § 38R; TIR 10-11

Estimate: \$47.9

2.614 Film (or Motion Picture) Credit

For taxable years beginning on or after January 1, 2006 and before January 1, 2023, Massachusetts allows two credits for motion picture production companies who meet certain qualification requirements. Production companies who incur at least \$50,000 of production costs in Massachusetts are eligible for income and corporate excise tax credits equal to 25% of the total Massachusetts payroll for the production, excluding salaries of \$1 million and higher. In addition, production companies whose Massachusetts production expenses exceed 50% of the total production cost receive an income and corporate excise tax credit of 25% of the total Massachusetts production expense. Supporting documentation is available to the Department of Revenue upon request.

This tax credit is refundable at 90% of the approved credit amounts by the written election of the taxpayer or may be carried forward for up to 5 years. In addition, all or any portion of tax credits issued may be transferred, sold or assigned to other taxpayers with tax liabilities under chapter 62 (the individual income tax) or chapter 63 (the corporate or other business excise taxes). For applications submitted prior to January 1, 2007, film tax credits were capped at \$7,000,000 for any one motion picture production has; for applications submitted on or after January 1, 2007, there is no cap. Also, the sunset date for the film incentives statute has been extended from January 1, 2013 to January 1, 2023. Insurance companies, financial institutions, and public utilities, which do not belong to regular corporate tax types, are also allowed to apply for this credit.

Origin: M.G.L. c. 63, § 38X

Estimate: \$78.0

2.615 Medical Device User Fee Credit

The Medical Device Credit is equal to 100% of the user fees actually paid to the United States Food and Drug Administration (USFDA) by a medical device company during the taxable year for which the tax is due for pre-market submissions (e.g., applications, supplements, or 510(k) submissions) to market new technologies or upgrades, changes, or enhancements to existing technologies, developed or manufactured in Massachusetts. The credit may be carried forward for up to 5 years. Also the credit may be transferred or sold to

another taxpayer, but is not refundable. Insurance companies, financial institutions, and public utilities, which do not belong to regular corporate tax types, are also allowed to apply for this credit.

Origin: M.G.L. c. 63, § 31L

Estimate: \$0.4

#### 2.616 Devens Refundable Tax Credit

Effective July 21, 2006, the Economic Opportunity Area credit is made refundable for certain projects. Notwithstanding subsections (b) to (d), inclusive, of section 38N of chapter 63 of the General Laws, in the event that a credit allowed under said section 38N of said chapter 63 exceeds the tax otherwise due under said chapter 63, the balance of that credit shall be refundable to the taxpayer in the taxable year in which qualified property giving rise to that credit is placed in service. This applies to credits for projects in the biotechnology industry, certified on or after June 1, 2006 and before June 1, 2008 by taxpayers who committed to investment of not less than \$650 Million over a period of 8 years and the creation of not fewer than 550 new jobs at the project site. "Project" means the design, planning, permitting, site preparation, construction, development, and operation of infrastructure and other improvements, including demolition of existing structures and design and construction of necessary replacement structures on adjacent or proximate land, and upgrades to the existing electric and gas utility systems serving the Devens Regional Enterprise Zone, as established by chapter 498 of the acts of 1993, to support the operation of a large scale biologics pharmaceutical manufacturing facility, or reasonably required to facilitate complete development, construction, and operation of such a facility. (See item 2.605)

Origin: M.G.L. c. 63, § 38N, St. 2006, c. 173, § 3

Estimate: \$0.0

#### 2.617 Life Sciences Tax Incentive Program

On June 16, 2008, "An Act Providing for the Investment in and Expansion of the Life Sciences Industry in the Commonwealth" was passed. The Act established the Life Sciences Tax Incentive Program which initially included, among other things, the following credits: the life sciences research credit, the life sciences refundable research credit, the life sciences refundable investment tax credit, and the life sciences FDA user fees credit; effective from January 1, 2009 through December 31, 2018. Effective January 1, 2011, the life sciences refundable jobs credit was added to this program. Since the tax expenditures under this line item will be subject to approval and their composition will differ from year-to-year, it is not known what proportion will be in the form of corporate tax credits as opposed to income tax credits. However, because the Department of Revenue believes that the largest portion of the tax expenditures described in this line item will be in the form of corporate tax credits, it has placed it in this section of the tax expenditure budget. Except for the life sciences research credit, the other incentives are refundable up to 90%, Insurance companies, financial institutions, and public utilities, which do not belong to regular corporate tax types, are also allowed to apply for this credit.

Origin: M.G.L. c. 62, §§ 6(m), (n), and (r) and c.63, §§38M (j), 38U, 38W and 38CC

Estimate: \$16.9

2.618 Dairy Farmers Credit

The Massachusetts dairy farmer tax credit was established to offset the cyclical downturns in milk prices paid to dairy farmers and is based on the U.S. Federal Milk Marketing Order for the applicable market, such that when the U.S. Federal Milk Marketing Order price drops below a trigger price anytime during the taxable year the taxpayer will be entitled to the tax credit. The total cumulative value of the credits authorized pursuant to this section combined with section 38Z of chapter 63 shall not exceed \$4,000,000 annually.

A taxpayer who holds a certificate of registration as a dairy farmer pursuant to M.G.L. Ch. 94, sec. 16A is allowed to take a refundable tax credit based on the amount of milk produced and sold. These credits may not be sold or transferred to another taxpayer, but are refundable at 100% of face value. Insurance companies, financial institutions, and public utilities, which do not belong to regular corporate tax types, are also allowed to apply for this credit.

Origin: M.G.L. c. 63, § 38Z

Estimate: \$1.0

2.619 Conservation Land Credit

A tax credit is allowed for qualified donations of certified land to a public or private conservation agency. The credit is equal to 50% of the fair market value of the qualified donation. The amount of the credit that may be claimed by a taxpayer for each qualified donation cannot exceed \$50,000. Approval of the donation is required from the Secretary of the Office of Energy & Environment Affairs. The credits may not be sold or transferred to another taxpayer, but are refundable. The total credits that may be approved are capped at \$2.0 million annually for the combined amount from personal income tax filers, chapter 63 taxpayers.

Insurance companies, financial institutions, and public utilities, which do not belong to regular corporate tax types, are also allowed to apply for this credit.

Origin: M.G.L. c. 63, § 38AA

Estimate: \$1.2

2.620 Employer Wellness Program Tax Credit

The 2012 Health Care Act establishes an Employer Wellness Program Tax Credit that is effective for tax years beginning on or after January 1, 2013 and is set to expire on December 31, 2017. The Employer Wellness Program Tax Credit was created to provide incentives for business to recognize the benefits of wellness programs with the goal of providing smaller businesses with an expanded opportunity to implement these programs. The credit is available to both chapter 62 and chapter 63 taxpayers (personal income taxpayers and corporate & business excise taxpayers).

The Department of Public Health will administer the credit program by: 1) determining standards for an Employer Wellness Program that will qualify for the credit; 2) approving a dollar amount of credit for a qualifying taxpayer and issue a certificate to be filed with the appropriate tax return; 3) developing regulations and procedures with the Department of Revenue to implement the credit program. A business will apply to the Department of Public Health describing the proposed wellness program to be implemented by the business and providing an estimated budget and applicable taxpayer identification number.

The credit is set at 25 percent of the costs associated with implementing a "certified wellness program." The maximum amount of Employer Wellness Program Credits available to a taxpayer is \$10,000 in any tax year. The total amount of Employer Wellness Program Credits authorized by the Department of Public Health is subject to a \$15,000,000 annual cap starting calendar year 2013. The Employer Wellness Program Tax Credit is non-refundable and non-transferable. However, the portion of the Employer Wellness Program Tax Credit that exceeds the tax for the taxable year may be carried forward and applied against such taxpayer's tax liability in any of the succeeding 5 taxable years.

Origin: St. 2012, c. 224, §§ 41, 41A, 56, 56A, 238, 239, 297, and 298. M.G.L. c. 62, § 6N; M.G.L. c. 63, § 38FF.

Estimate: \$9.4

## 2.621 Community Investment Tax Credit

The 2012 Jobs Act provides a Community Investment Tax Credit that is effective January 1, 2014 and is set to expire on December 31, 2019. It was created to enable local residents and stakeholders to work with and through community development corporations to partner with nonprofit, public and private entities to improve economic opportunities for low and moderate income households and other residents in urban, rural and suburban communities across the commonwealth. The credit is available to both chapter 62 and chapter 63 taxpayers (personal income taxpayers and corporate & business excise taxpayers).

The Department of Housing and Community Development will administer the credit program by: 1) issuing a certification to a taxpayer after the taxpayer makes a qualified investment; 2) authorizing a dollar amount of credit for a qualified investment; 3) developing regulations and procedures with the Department of Revenue to implement the Community Investment Credit.

The certification will be acceptable as proof that the expenditures related to such investment constitute qualified investments for purposes of the community investment credit. The Community Investment Credit is set at 50 percent of the total qualified investments made by a taxpayer in a "community partner," i.e., a "community development corporation" or a "community support organization," selected by the Department of Housing and Community Development through a competitive process. A qualified investment must be in the form of a cash contribution of at least \$1,000. A taxpayer may invest in more than one community partner, but may not claim more than \$1,000,000 of credits in any single taxable year. A taxpayer must claim the credit in the taxable year in which a qualified investment is made. The total amount of Community Investment Credits is subject to a \$3,000,000 cap in 2014, and an annual cap of \$6,000,000 in 2015 to 2019, inclusive. This credit is non-refundable, but it is transferrable and it could be carried over up to five years.

Origin: St. 2012, c. 238, §§ 29, 30, 35, 36; M.G.L. c. 62, § 6M; M.G.L. c. 63, § 38EE

Estimate: \$0.8

## 2.700 ENTITY EXEMPT FROM TAXATION

### 2.701 Exemption of Credit Union Income

Credit unions, which are in effect mutual business organizations, are considered tax-exempt organizations for federal income tax purposes and therefore are generally exempt from the corporate excise, except are taxable on unrelated business income.

Comment: The estimate applies to only state-chartered credit unions.

The estimate applies to only state-chartered credit unions.

Origin: IRC, § 501(c)(14)(A), M.G.L. c. 63, § 30

Estimate: \$5.9

2.702 Tax-Exempt Organizations

Corporations considered to be tax-exempt under section 501 of the Internal Revenue Code (such as religious, scientific and educational organizations) are exempt from tax under the corporate excise. The non-taxation of their net income and property creates a tax expenditure.

Origin: IRC, § 501, M.G.L. c. 63, § 30

Estimate: N.A.

2.703 Exemption for Regulated Investment Companies

Regulated Investment Companies are exempt from the corporate excise. This item constitutes a tax expenditure in Massachusetts, though it is not considered a TEB at the federal level.

Origin: M.G.L. c. 63, § 68C(8)

Estimate: N.A.

<b>KEY</b>	<b>ORIGIN</b>	
	<b>IRC</b>	Federal Internal Revenue Code (26 U.S.C.)
	<b>M.G.L.</b>	Massachusetts General Laws
	<b>U.S.C</b>	United States Code
	<b>ESTIMATES</b>	All estimates are in \$ millions.

## ***Introduction - Sales Tax***

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Massachusetts imposes a sales and use tax on retail sales. In addition to the sales and use tax, there are several separate excises, each limited to a particular type of commodity. These special excises have not been included in this tax expenditure budget.

The Massachusetts sales and use tax, first imposed in 1966, was levied at a rate of 5%. Effective on and after August 1, 2009, the rate was changed from 5% to 6.25%. The sales tax applies to sales made within the state, and the use tax to property and services purchased outside of Massachusetts but intended for use within the state.

Revenue from the sales and use tax represented 24.1% of total Department of Revenue tax collections for Fiscal Year 2012, and was the second largest source of tax revenue after the income tax.

### **Sales and Use Tax: Basic Structure**

**Tax Base:** For the purposes of this tax expenditure budget, we have chosen not to make any assumptions about the base of the Massachusetts sales and use tax. Some people take a narrow view of what a retail sale is, limiting the term to sales to final consumers, i.e., individuals. Others would include sales to businesses, especially in instances where the purchase will not become an ingredient or component in a product to be sold. In an effort to acknowledge both theories, we will simply list the various exemptions under the sales tax. Some or many of these exemptions could be considered to be properly excluded from the tax base depending upon one's point of view.

**Taxable Unit:** The sales and use tax is levied on the property or service to be sold or used.

**Rate Structure:** The sales and use tax rate is 6.25% of the price.

**Taxable Period:** Except for sales of motor vehicles, in which the tax is imposed and paid by the purchaser to the Registry of Motor Vehicles, the tax is imposed at the time of sale and remitted at specified intervals by the vendor. The use tax is paid directly to the Department of Revenue by the user of the item, and may be paid annually or more often (typically monthly).

**Interstate and International Aspects:** Massachusetts applies the destination principle to international and interstate sales. Accordingly, exports are exempt and imports are taxable under the sales and use tax. Statutory exemptions for exports of property and for services used outside of the Commonwealth are therefore not listed as tax expenditures.

**Computation of Massachusetts Sales and Use Tax by Vendor\***

Gross Receipts  
From Taxable Sales

Apply 6.25% Tax

Sales Tax

|  
  
|

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\* A purchaser is also responsible for paying use tax directly to the Commonwealth on the sales price of taxable property or services purchased out-of-state and stored, used, or otherwise consumed in the Commonwealth, provided that a sales and use tax of 6.25% or more has not been paid separately to another state.

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## ***List of Sales and Use Tax Exemptions***

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### **3.000 EXEMPT ENTITIES**

#### **3.001 Exemption for Sales to the Federal Government**

Sales to the federal government are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(d)

Estimate: N.A.

#### **3.002 Exemption for Sales to the Commonwealth**

Sales to the Commonwealth, its agencies and political subdivisions are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(d)

Estimate: N.A.

#### **3.003 Exemption for Sales to Tax-Exempt Organizations**

Non-profit organizations are exempt from sales tax on purchases of goods and services to be used in carrying out their tax-exempt purposes.

Comment: This estimate excludes sales of building materials and supplies used in construction contracts, which are covered under item 3.412.

This estimate excludes sales of building materials and supplies used in construction contracts, which are covered under item 3.412.

Origin: M.G.L. c. 64H, § 6(e) and (x)

Estimate: \$438.6

#### **3.004 Exemption for Sales of Tangible Personal Property to Motion Picture Production Companies**

Sales of tangible personal property to a qualifying motion picture production company or to an accredited film school student for the production expenses related to a school film project are exempt from the sales tax.

Origin: M.G.L. c. 64H, § 6(ww)

Estimate: \$0.1

#### **3.005 Exemption for Sales of Certain Tangible Personal Property Purchased for a Certified Life Sciences Company**

Sales of tangible personal property purchased for a certified life sciences company, to the extent authorized pursuant to the life sciences tax incentive program, for use in connection with the construction, alteration, remodeling, repair or remediation of research,

development or manufacturing facilities and utility support systems, are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(xx)

Estimate: \$0.2

**3.100 EXEMPT PRODUCTS/SERVICES**

**3.101 Exemption for Food**

Food for human consumption is exempt from sales tax, including food purchased with federal food stamps. The exemption does not cover meals served in restaurants and similar establishments. Meals are taxed under the sales tax at a rate of 6.25%.

Origin: M.G.L. c. 64H, § 6(h) and (kk)

Estimate: \$714.5

**3.102 Exemption for Certain Food and Beverages Sold in Restaurants**

Although generally food and beverages sold in restaurants are taxed, there are certain exceptions. These are: a) food sold by weight, measure, count, or in unopened original containers or packages (for example, milk, meat, bread); b) beverages in unopened original containers which have a capacity of at least 26 fluid ounces; and c) bakery products sold in units of six or more.

Origin: M.G.L. c. 64H, § 6(h)

Estimate: N.A.

**3.103 Exemption for Clothing**

Sales of clothing or footwear up to \$175 per item are exempt from sales tax. The exemption does not include special clothing or footwear designed for athletic or protective uses and not normally worn except for these uses.

Origin: M.G.L. c. 64H, § 6(k)

Estimate: \$283.4

**3.104 Exemption for Medical and Dental Supplies and Devices**

Medical and dental supplies and devices, such as prescription drugs, oxygen, blood, artificial limbs and eyeglasses, are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(l) and (z)

Estimate: \$477.1

**3.105 Exemption for Water**

Sales and service of water are exempt from sales tax.

Comment: This estimate excludes sales of bottled water, which are included under item 3.101.

This estimate excludes sales of bottled water, which are included under item 3.101.

Origin: M.G.L. c. 64H, § 6(i)

Estimate: \$49.8

3.106 Exemption for Newspapers and Magazines

Newspapers and magazines are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(m)

Estimate: \$36.0

3.107 Exemption for the American Flag

The American flag is exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(w)

Estimate: N.A.

3.108 Exemption for Certain Precious Metals

Sales valued at \$1,000 or more of the following precious metals are exempt from the sales tax: rare coins of numismatic value; gold or silver bullion or coins; and gold or silver tender of any nation which is traded and sold according to its value as precious metal. Fabricated precious metals that have been processed or manufactured for industrial, professional, or artistic use do not qualify for the exemption.

Origin: M.G.L. c. 64H, § 6(ll)

Estimate: N.A.

3.109 Exemption for Cement Mixers

Concrete mixing units mounted on the back of trucks are exempt from sales tax. Spare parts for such units are also exempt. The truck chassis is subject to sales tax.

Origin: M.G.L. c. 64H, § 6(y)

Estimate: N.A.

3.112 Exemption for Aircraft & Aircraft Parts

Airplanes, helicopters, balloons and other aircraft are exempt from sales tax. Also exempt are parts used exclusively for the repair of aircraft.

Origin: M.G.L. c. 64H, § 6(uu) and (vv)

Estimate: \$12.4

3.113 Exemption for Breast Pumps

Physician-prescribed, medically necessary breast pumps are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(l)

Estimate: Included in 3.104

**3.200 EXEMPT, TAXED UNDER ANOTHER EXCISE**

3.201 Exemption for Alcoholic Beverages

Alcoholic beverages, except those sold as part of a meal, were exempt from sales tax through July 31, 2009. Effective August 1, 2009, this exemption was repealed. However, as the result of a referendum question on the November 2, 2010 ballot, this exemption is reinstated, effective for sales on or after January 1, 2011. Alcoholic beverages are also subject to an excise tax determined by volume.

Comment: Revenues collected under the alcoholic beverages excise were \$72.7 million in Fiscal Year 2011 and \$76.1 million in Fiscal Year 2012.

Revenues collected under the alcoholic beverages excise were \$72.7 million in Fiscal Year 2011 and \$76.1 million in Fiscal Year 2012.

Origin: M.G.L. c. 64H § 6(g)

Estimate: \$116.6

3.202 Exemption for Motor Fuels

Motor fuels are exempt from sales tax. They are subject to an excise at a rate higher than 6.25% of the retail price. The estimate represents revenues that would be collected under the sales tax if motor fuels were taxed at 6.25% of the retail price. The Massachusetts motor fuels tax rate is \$0.21 per gallon of gasoline or diesel fuel.

Comment: Revenues collected under the motor fuels excise were \$660.8 million in Fiscal Year 2011 and \$662.0 million in Fiscal Year 2012.

Revenues collected under the motor fuels excise were \$660.8 million in Fiscal Year 2011 and \$662.0 million in Fiscal Year 2012.

Origin: M.G.L. c. 64H, § 6(g)

Estimate: \$750.0

3.203 Exemption for Hotel/Motel Rooms

Rental charges for real property are exempt from sales tax. However, rentals of rooms in hotels, motels or lodging houses are subject to a state excise at a rate of 5.7% of the rental price, and, at a municipality's option, to a local excise of up to 6% of the rental price (6.5% in the city of Boston). A Convention Center financing fee of 2.75% is also included in

certain areas.

Comment: Revenues collected under the budgeted state room excise were \$110.4 million in Fiscal Year 2011 and \$121.6 million in Fiscal Year 2012.

Revenues collected under the budgeted state room excise were \$110.4 million in Fiscal Year 2011 and \$121.6 million in Fiscal Year 2012.

Origin: General exclusion of real property transactions

Estimate: \$144.1

**3.300 EXEMPT COMPONENT OF A PRODUCT OR CONSUMED IN PRODUCTION**

**3.301 Exemption for Items Used in Making Clothing**

Sales of materials used in making clothes, such as thread and fabric, are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(v)

Estimate: N.A.

**3.302 Exemption for Materials, Tools, Fuels and Machinery Used in Manufacturing**

Materials, tools, fuels and machinery, including spare parts, used in manufacturing are exempt from sales tax if they become components of a product to be sold or are consumed or directly used in the manufacturing process.

Origin: M.G.L. c. 64H, § 6(r) and (s)

Estimate: \$618.1

**3.303 Exemption for Materials, Tools, Fuels and Machinery Used in Research and Development**

Materials, tools, fuels and machinery, including spare parts, used in research and development by certified manufacturing or research and development corporations are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(r) and (s)

Estimate: \$89.4

**3.304 Exemption for Materials, Tools, Fuels, and Machinery Used in Furnishing Power**

Materials, tools, fuels, and machinery, including spare parts, used in furnishing gas, water, steam, or electricity to consumers through mains, lines or pipes are exempt from sales tax if they are consumed or directly used in furnishing the power.

Comment: Estimate excludes costs associated with the natural gas industry due to a lack of reliable data.

Estimate excludes costs associated with the natural gas industry due to a lack of reliable

data.

Origin: M.G.L. c. 64H, § 6(r) and (s)

Estimate: \$104.3

**3.306 Exemption for Materials, Tools, Fuels, and Machinery Used in Newspaper Printing**

Materials, tools, fuels, and machinery, including spare parts, used in newspaper printing are exempt from sales tax if they become components of a product to be sold or are consumed or directly used in newspaper publishing.

Origin: M.G.L. c. 64H, § 6(r) and (s)

Estimate: \$64.6

**3.308 Exemption for Materials, Tools, Fuels, and Machinery Used in Agricultural Production**

Materials, tools, fuels, and machinery, including spare parts, used in agricultural production are exempt from sales tax if they become components of products to be sold or are consumed or directly used in agricultural production. The exemption includes the same items when used for the production of livestock, poultry and animals in research. Also included are seeds and plants used to grow food for human consumption outside the agricultural industry (e.g., by home gardeners).

Origin: M.G.L. c. 64H, § 6(r), (s) and (p)

Estimate: \$13.8

**3.309 Exemption for Vessels, Materials, Tools, Fuels, and Machinery Used in Commercial Fishing**

Materials, tools, fuels, and machinery, including spare parts, used in commercial fishing are exempt from sales tax if they become components of a product to be sold or are consumed or directly used in commercial fishing.

Origin: M.G.L. c. 64H, § 6(r), (s) and (o)

Estimate: \$12.5

**3.310 Exemption for Materials, Tools, Fuels and Machinery Used in Commercial Radio and TV Broadcasting**

Materials, tools, fuels and machinery, including spare parts, used in commercial radio and TV broadcasting are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(r) and (s)

Estimate: N.A.

**3.400 EXEMPTIONS FOR SPECIFIED USES OF PRODUCTS/SERVICES**

**3.401 Exemption for Electricity**

Residential electricity, electricity purchased by businesses with five or fewer employees, and electricity purchased for qualified industrial use is exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(i) and (qq)

Estimate: \$336.4

3.402 Exemption for Fuel Used for Heating Purposes

Residential heating fuel, heating fuel purchased by businesses with five or fewer employees, and heating fuel purchased for qualified industrial use is exempt from sales tax.

Comment: This estimate is based on purchases of heating oil only; natural gas is included in item 3.403.

This estimate is based on purchases of heating oil only; natural gas is included in item 3.403.

Origin: M.G.L. c. 64H, § 6(j) and (qq)

Estimate: \$87.2

3.403 Exemption for Piped and Bottled Gas

Residential gas, gas purchased by businesses with five or fewer employees, and gas purchased for qualified industrial use is exempt from sales tax.

Comment: Estimate is for piped gas only.

Estimate is for piped gas only.

Origin: M.G.L. c. 64H, § 6(i) and (qq)

Estimate: \$148.5

3.404 Exemption for Steam

Residential steam, steam purchased by businesses with five or fewer employees, and steam purchased for qualified industrial use are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(i) and (qq)

Estimate: \$14.4

3.405 Exemption for Certain Energy Conservation Equipment

Equipment for a solar, wind or heat pump system used as a primary or auxiliary energy source in a principal residence is exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(dd)

Estimate: N.A.

3.406 Exemption for Funeral Items

Coffins, caskets, and other funeral items are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(n)

Estimate: \$12.9

3.407 Exemption for a Motor Vehicle for a Paraplegic

A motor vehicle owned and registered for the personal use of a paraplegic is exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(u)

Estimate: \$1.3

3.408 Exemption for Textbooks

Textbooks and other books required for instruction in educational institutions are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(m)

Estimate: \$51.9

3.409 Exemption for Books Used for Religious Worship

Bibles, prayer books and other books used for religious worship are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(m)

Estimate: N.A.

3.410 Exemption for Containers

Most containers are exempt from sales tax. These include sales of empty returnable and non-returnable containers to be filled and resold, containers the contents of which are exempt from the sales tax, and returnable containers when sold with the contents or resold for refilling.

Origin: M.G.L. c. 64H, § 6(q)

Estimate: \$166.9

3.411 Exemption for Certain Sales by Typographers, Compositors, Color Separators

Sales by typographers, compositors or color separators of composed type, film positives and negatives and reproduction proofs, or transfers of such items to a printer, publisher, or manufacturer of folding boxes for use in printing, are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(gg)

Estimate: N.A.

3.412 Exemption for Sales of Building Materials and Supplies to be Used in Connection with Certain Construction Contracts

Materials and supplies used in connection with construction contracts with the United States and the Commonwealth of Massachusetts, or any of its subdivisions are tax exempt where the construction is for public purposes. Materials and supplies used in connection with construction contracts with a tax-exempt organization are tax exempt where the construction is to be used exclusively in carrying out the organization's charitable purpose. The exemption includes rentals of equipment as well.

Origin: M.G.L. c. 64H, § 6(f)

Estimate: \$107.7

3.417 Exemption for Commuter Boats

Vessels, materials, tools, repair and spare parts used exclusively to provide scheduled commuter passenger service are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(pp)

Estimate: N.A.

3.418 Exemption for Fuels, Supplies and Repairs for Vessels Engaged in Interstate or Foreign Commerce

Fuels, supplies and repairs for vessels engaged in interstate or foreign commerce are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(o)

Estimate: \$0.7

3.419 Exemption for Fuel Used in Operating Aircraft and Railroads

Fuel used in operating aircraft and railroads is exempt from sales tax.

Comment: At a community's option, kero-jet fuel may be subject to a local tax at of 5% of average price or \$0.05 per gallon; whichever is higher.

At a community's option, kero-jet fuel may be subject to a local tax at of 5% of average price or \$0.05 per gallon; whichever is higher.

Origin: M.G.L. c. 64H, § 6(j)

Estimate: \$59.3

3.420 Exemption for Sales of Certain New or Used Buses

New and used buses that provide scheduled intra-city local service and are used by common carriers certified by the Department of Telecommunications and Energy are exempt from sales tax. The exemption includes replacement parts, materials and tools used to maintain or repair these buses.

Origin: M.G.L. c. 64H, § 6(aa)

Estimate: N.A.

3.421 Exemption for Films

Motion picture films for commercial exhibition are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(m)

Estimate: N.A.

**3.600 MISCELLANEOUS EXEMPTIONS**

3.601 Exemption for Casual or Isolated Sales

Casual or isolated sales (sales by private parties) are exempt from sales tax, except casual sales of motor vehicles, trailers, and boats. Sales of these listed items are exempt only when they are between family members.

Origin: M.G.L. c. 64H, § 6(c) and M.G.L. c. 64I, § 7(b)

Estimate: N.A.

3.602 Exemption for Vending Machine Sales

Vending machine sales of ten cents or less are exempt from sales tax. In addition, sales through vending machines, which exclusively sell snacks and candy with a sales price of less than one dollar, are exempt from the sales tax on meals.

Origin: M.G.L. c. 64H, § 6(h) and (t)

Estimate: N.A.

3.603 Exemption for Certain Meals

Meals prepared by churches and hospitals, meals provided to organizations for the elderly, and meals provided by educational institutions are exempt from sales tax.

Comment: Estimate is for meals served in schools only.

Estimate is for meals served in schools only.

Origin: M.G.L. c. 64H, § 6(cc)

Estimate: \$11.5

3.604 Exemption for Certain Bed and Breakfast Establishments from Sales Tax on Meals and Room Occupancy Excise

Owner-occupied one-, two-, and three-bedroom bed and breakfast establishments are exempt from both the sales tax on meals and the room occupancy excise.

Origin: M.G.L. c. 64G, § 1, 2, 3, 3A and 6, and M.G.L. c. 64H, § 6(h)

Estimate: N.A.

3.605 Exemption for Certain Summer Camps from Sales Tax on Meals and Room Occupancy Excise

An exemption from both the sales tax on meals and the room occupancy excise is provided for summer camps for children age 18 and under, or for summer camps for developmentally disabled individuals. Camps that satisfy the above criteria but offer their facilities during the off-season to individuals 60 years of age or over for 30 days or less in any calendar year will not lose their exemption.

Comment: Estimate is for meals only.

Estimate is for meals only.

Origin: M.G.L. c. 64G, § 2 and M.G.L. c. 64H, § 6(cc)

Estimate: \$1.1

3.606 Exemption for Trade-in Allowances for Motor Vehicles and Trailers

In most cases, motor vehicles and trailers bought in a trade-in transaction are only subject to sales tax on the excess of the purchase price over the amount credited for the trade-in.

Origin: M.G.L. c. 64H, § 26, c. 64I, § 27

Estimate: \$101.1

3.607 Exemption for Publications of Tax-Exempt Organizations

The publications of tax-exempt organizations are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(m)

Estimate: \$14.8

3.608 Exemption for Gifts of Scientific Equipment

Gifts of scientific equipment or apparatus by manufacturers to non-profit educational institutions or to the Massachusetts Technology Park Corporation are exempt from sales tax.

Origin: M.G.L. c. 64H, § 6(jj)

Estimate: N.A.

3.609 Exemption for Vessels or Barges of 50 Tons or Over

Vessels or barges weighing 50 tons or more are exempt from sales tax when constructed in-state and sold by the builder.

Origin: M.G.L. c. 64H, § 6(o)

Estimate: N.A.

3.610 Exemption for Rental Charges for Refuse Containers

Rental charges in connection with service contracts by and between waste service firms and customers for refuse containers or bins are exempt from sales tax when the containers are placed on the customer's premises by the waste service firm.

Origin: M.G.L. c. 64H, § 6(ii)

Estimate: N.A.

3.611 Exemption for Honor Trays

Food items purchased from honor trays are exempt from sales and meals taxes, provided that no item on the honor tray is sold for \$1 or more.

Comment: Honor trays are vending carts in workplaces from which snacks may be purchased on the honor system.

Honor trays are vending carts in workplaces from which snacks may be purchased on the honor system.

Origin: M.G.L. c. 64H, § 6(h)

Estimate: N.A.

**KEY**

**ORIGIN**

**M.G.L.**

**ESTIMATES**

Massachusetts General Laws

All estimates are in \$ millions.



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**Fiscal Year 2014 Tax Expenditure Budget – Appendix A**  
**Recent Law Changes Affecting Tax Expenditures**

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*The following tax expenditures have been revised or created due to recent law changes:*

**The Personal Income Tax:**

Circuit Breaker Tax Credit Increased (see item 1.609): A credit is allowed to an owner or tenant of residential property located in Massachusetts equal to the amount by which the real estate tax payment or 25% of the rent constituting real estate tax payment exceeds 10% of the taxpayer's total income, not to exceed \$1,000. The amount of the credit is subject to limitations based on the taxpayer's total income and the assessed value of the real estate, which must not exceed \$705,000. For tax year 2012, an eligible taxpayer's total income cannot exceed \$53,000 in the case of a single filer who is not a head of household filer, \$67,000 for a head of household filer, and \$80,000 for joint filers. In order to qualify for the credit, a taxpayer must be age 65 or older and must occupy the property as his or her principal residence. See TIR 12-8 for more information.

Deduction for Expenses of Human Organ Transplant: Effective for tax year 2012, an individual may deduct certain expenses and other costs incurred in the process of donating an organ for a human organ transplant to another individual. For purposes of this deduction, "human organ" shall mean all or part of human bone marrow, liver, pancreas, kidney, intestine or lung. In the case of an individual who donates an organ to another person for human organ transplantation, the individual may deduct the following expenses that are incurred by the individual and related to the individual's organ donation: (i) travel expenses; (ii) lodging expenses; and (iii) lost wages not to exceed \$10,000. An individual who is a nonresident of Massachusetts for all or part of the taxable year is not eligible to claim this deduction. See TIR 11-6.

Current Code Provisions

As a general rule, Massachusetts will not adopt any federal tax law changes incorporated into the Internal Revenue Code ("Code") after January 1, 2005. However, certain specific provisions of the personal income tax automatically adopt the current Code. Provisions of the Code adopted on a current Code basis are (i) Roth IRAs, (ii) IRAs, (iii) the exclusion for gain on the sale of a principal residence, (iv) trade or business expenses, (v) travel expenses, (vi) meals and entertainment expenses, (vii) the maximum deferral amount of government employees' deferred compensation plans, (viii) the deduction for health insurance costs of self-employed, (ix) medical and dental expenses, (x) annuities, (xi) health savings accounts, and (xii) employer-provided health insurance coverage and amounts received by an employee under a health and accident plan. See TIRs 98-8, 02-11, 07-4, and 09-21 for further details on the Massachusetts personal income tax current Code provisions.

Conversion of Traditional IRA to Roth IRA in 2010: Under the federal Tax Increase Prevention and Reconciliation Act of 2005 (P.L. 109-222), taxpayers regardless of income level are allowed to convert traditional IRAs to Roth IRAs effective for tax years beginning after December 31, 2009. Previously, only taxpayers with federal adjusted gross incomes of \$100,000 or less could exercise this option. For federal income tax purposes, for Roth IRA conversions completed in 2010, unless a taxpayer elected to include the entire amount of income in 2010, the amount includible in gross income as a result of the conversion is included in federal gross income half in 2011 and half in 2012. See IRC sec.

408A(d)(3). The amount includible in Massachusetts gross income may differ from the amount includible in federal gross income. However, a taxpayer must follow the federal rules regarding the year (or years) when the taxable amount is includible in Massachusetts gross income. For more information and a discussion of applicable Massachusetts adjustments, see TIR 10-8.

Parking, Combined Commuter Highway Vehicle Transportation and T-Pass Fringe Benefit — IRC sec. 132(f): Massachusetts follows IRC sec. 132(f) as amended and in effect under the January 1, 2005 Code. For tax year 2012, the IRS has calculated, based on inflation adjustments contained in the January 1, 2005 Code, the 2012 exclusion amounts for employer-provided parking and combined transit pass and commuter highway vehicle transportation benefits as \$240 and \$125 per month respectively. Massachusetts adopts these 2012 tax year monthly exclusion amounts because they are based on the January 1, 2005 Code. For further discussion, see TIR 12-1. Note: It is possible that Congress could make further changes to IRC sec. 132(f) after the publication of these form instructions. Massachusetts will not adopt any changes to IRC sec. 132(f) unless the Massachusetts legislature acts to adopt such changes.

Temporary Increase in Federal Earned Income Credit: For federal income tax purposes, the Tax Relief and Job Creation Act of 2010 (P.L. 111-312) provides a temporary increase in the earned income tax credit for two years, through December 31, 2012. The Massachusetts earned income tax credit equals 15% of the federal earned income tax credit received by the taxpayer for the taxable year. Therefore, Massachusetts allows 15% of the amount the taxpayer receives federally under IRC sec. 32.

Temporary Change to IRC Sec. 179 Expensing: For federal income tax purposes, effective for tax years beginning in 2012, the dollar limitation for an election under sec. 179 to expense property in its initial year is \$139,000, and the sec. 179 overall investment phase-out threshold for the 2012 tax year is \$560,000. Massachusetts adopts these changes because sec. 179 is a trade or business expense deduction; these deductions are adopted by Massachusetts on a current Code basis.

#### Federal Deduction — Not Allowed

Federal “Bonus” Depreciation — IRC sec.168(k): For federal income tax purposes, under IRC sec.168(k), bonus depreciation applies to eligible property acquired after December 31, 2007 and placed in service before January 1, 2013. The bonus depreciation rate for property placed in service during this period is generally 50%. Under 2002 legislation, Massachusetts decoupled from bonus depreciation allowed under IRC sec. 168(k), as amended and in effect for the current year. Therefore, Massachusetts does not adopt this additional depreciation deduction. See TIRs 02-11 and 03-25 for further details.

Domestic Production Activity Deduction — IRC sec. 199: For federal income tax purposes, a business entity that pays wages to employees and conducts eligible domestic production activities is allowed a deduction for domestic production activities under IRC sec. 199. Generally, in the case of a non-corporate taxpayer, the deduction allows a business with qualified production activities to deduct 9% of its U.S. adjusted gross income. Under 2004 legislation, Massachusetts de-coupled from the production activity deduction allowed under IRC sec.199, as amended and in effect for the current year. Therefore, Massachusetts does not adopt this deduction. See TIR 05-5.

#### Federal Exclusion — Not Allowed

Mortgage Forgiveness — IRC sec. 108(a): The federal Mortgage Forgiveness Debt Relief Act of 2007 (P.L. 110-142) amended IRC sec. 108(a) by adding an exclusion for indebtedness that is discharged before January 1, 2010 and is qualified principal residence indebtedness. The Economic Stabilization Act of 2008 extended this exclusion for three years, until January 1, 2013. Massachusetts does not adopt this exclusion or the extension because they were enacted after January 1, 2005.

Voluntary Contributions to the Homeless Animal Prevention and Care Fund: Legislation passed in 2012 enables taxpayers to make voluntary contributions on their income tax returns to the newly

established Homeless Animal Prevention and Care Fund. Contributions to this fund are used to vaccinate and spay/neuter homeless dogs and cats and those owned by low-income residents, and to assist with the training of animal control officers.

**The Personal Income and Corporate (Joint)**

Two new credits have been added that are available to income or corporate filers: The “Employer Wellness Program Credit (income item 1.616 and corporate 2.620) and the “Community Investment Tax Credit” (income item 1.617 and corporate 2.621). See these items for detailed descriptions.

**Corporate and Other Business Excise:**

Updated corporate excise tax rate reduction schedule: The following tables have been created by referring to G.L. Ch. 63 Sections 32 D and 39, and Ch. 62 Section 4.

**Corporations:**

Tax Year	Non-income Measure Tax	Income Measure Tax		
		C Corp. Rate and S Corps' Qualified and Passive Income	S Corp. Rate (Gross Sales \$6M-\$9M)	S Corp. Rate (Gross Sales > \$9M)
2009	0.26%	9.50%	2.80%	4.20%
2010	0.26%	8.75%	2.30%	3.45%
2011	0.26%	8.25%	1.97%	2.95%
2012	0.26%	8.00%	1.83%	2.75%
2013	0.26%	8.00%	1.83%	2.75%

S Corporations: Rate is equal to:  
 Large S Corp (Gross Sales > \$9M): 2.75% C Corp rate minus Part B individual income tax rate  
 Medium S Corp (\$6M < Gross Sales < \$9M) 1.83% 2/3 of Large S Corp rate  
 Small S Corp (Gross Sales < \$6M): 0% 0%

**Financial Institutions:**

Tax Year	Non-income Measure Tax	Income Measure Tax		
		C Corp. Rate and S Corps' Qualified and Passive Income	S Corp. Rate (Gross Sales \$6M-\$9M)	S Corp. Rate (Gross Sales > \$9M)
2009	No	10.50%	3.4667%	5.20%
2010		10.00%	3.13%	4.70%
2011		9.50%	2.80%	4.20%
2012		9.00%	2.50%	3.75%
2013		9.00%	2.50%	3.75%

**Public Utilities:**

Tax Year	Non-income Measure Tax	Income Measure Tax	Net Operating Loss Carryovers	Apportionment Rule
2009	No	6.50%	No	Equally weighted tangible, payroll, property factors
2010		6.50%		
2011		6.50%		
2012		6.50%		
2013		6.50%		

<b>Security Corporations:</b>					
Tax Year	Non-income Measure Tax	Income Measure Tax		Net Operating Loss Carryovers	Apportionment Rule
		Class 1 Excise	Class 2 Excise		
2009	No	0.33%	1.32%	No	NA
2010		0.33%	1.32%		
2011		0.33%	1.32%		
2012		0.33%	1.32%		
2013		0.33%	1.32%		

Tax Year	Non-income Measure Tax (tax on Tangible Property or Net worth)	Insurance Companies: Tax rates		Net Operating Loss Carryovers	Apportionment Rule
		Taxable Premiums	Gross Investment Income		
2009	No	2.28%	Applicable rate (*)	No	NA
2010		2.28%	Applicable rate (*)		
2011		2.28%	Applicable rate (*)		
2012		2.28%	Applicable rate (*)		
2013		2.28%	Applicable rate (*)		

(\*) Property and casualty insurers may reduce their tax rate on gross investment income from the 1% tax rate if they contribute the required amount to the initiative over a five-year period. The reduced rate schedule is as follows: 0.8% for the first year on or after January 1, 1999, in which it makes the required contribution and 0.6% for the second year it makes the required contribution or 0.4% for the third year it makes the required contribution. The tax rate is 0.2% in the fourth year it makes the required contribution. No gross investment income tax shall be due for the tax years beginning on or after the fifth year in which said company contributes its full proportionate share. A Certificate of Contribution issued by the Property and Casualty Insurance Company Initiative must accompany the return if claiming the lower rate. A company that does not make the required contribution in any year will continue to be taxed at the rate for the last year in which it did make the required contribution.

Tax Year	Life Insurance Companies: Tax Rates		Net Operating Loss Carryovers	Apportionment Rule
	Taxable Life Premiums	Taxable Accident & Health Premiums		
2009	2.00%	2.00%	No	NA
2010	2.00%	2.00%		
2011	2.00%	2.00%		
2012	2.00%	2.00%		
2013	2.00%	2.00%		

**The Sales and Use Tax:**

In June 2009 legislation was enacted that amended c. 64H (sales tax) and c. 64I (use tax), changing the rate of tax for sales and use of tangible personal property and telecommunications services from 5% to 6.25%. See Stat. 2009, c. 27, §§ 53, 55-57, 59. In addition, the new legislation repealed the exemption for alcoholic beverages, including beer, wine, and liquor, sold at retail by amending G.L. c. 64H, § 6(g) to omit reference to c. 138. These changes were effective on and after August 1, 2009. See TIR 09-11 for further details.

As the result of a referendum question on the November 2, 2010 ballot, the law extending the Massachusetts sales and use tax to alcoholic beverages sold at package stores and liquor stores for off-premises consumption, which was enacted on August 1, 2009, has been repealed, effective for sales on or after January 1, 2011. See TIR 10-24 for further details.

Effective July 1, 2011, physician-prescribed, medically necessary breast pumps are exempt from sales and use tax. See St. 2011, c. 68, § 72.

In July 2012 legislation was enacted stating explicitly that “sales that do not involve tangible personal property shall not result in tax expenditures”. See St 2012, c.165, §112. Pursuant to this legislation, from fiscal year 2014 on, we remove some items from our tax expenditure estimates, which we regularly reported in prior years. But to facilitate comparison to tax expenditure estimates in prior years, these items (3.422, 3.501, 3.502, 3.503 and 3.504) have been listed in appendix D.

The estimates for TEB items for sales and use tax reflects these tax law changes.

## ***Appendix B - Glossary***

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**Amortization:** Annual deduction allowed for the gradual exhaustion or obsolescence of intangible assets having a limited useful life which are used in the production of income, such as patents and copyrights; analogous to depreciation of tangible assets.

**Capital Expenditure:** An expenditure made in acquiring, adding to or bettering a fixed asset. For accounting purposes, capital expenditures are not charged against current revenue. They are added to capital account or "capitalized" and then may be depreciated; amortized, or recovered when a business is sold. This concept should be distinguished from an expense.

**Credit:** Amount by which a taxpayer is allowed to reduce a tax liability, as computed by applying the tax rates to the tax base, to be distinguished from a deduction from the tax base.

**Deduction:** Amount that a taxpayer is allowed to subtract from the gross tax base.

**Depreciation:** Annual deduction allowed for the gradual exhaustion or obsolescence of tangible property used in the production of income.

**Exclusion:** The legal elimination from the tax base of items recognized as falling within its definition. The federal term for what is sometimes called an exemption for Massachusetts. (See below.)

**Exemption:** The legal elimination from the tax base of items or transactions recognized as falling within its definition, or of taxable units that would normally be subject to tax.

**Expense:** A revenue expenditure or cost, which, for accounting purposes, is charged against current revenue. To be distinguished from a capital expenditure.

**Gross income:** The total of all items included in the concept of income that a taxpayer receives during the taxable period.

**Net income:** Amount remaining after subtracting exempt income and deductions from gross income.

**Personal exemption:** A specific amount or percentage of net income on which the tax rate is zero. To be distinguished from an exemption as defined above, which applies to a class of income or taxpayers. Sometimes called an "allowance".

**Taxable income:** Amount to which the tax rates are applied in computing tax liability, after subtracting personal exemptions from net income



**Appendix C - Summary Table**

**Fiscal Year 2014 Tax Expenditure Budget: Appendix C  
Summary Table**

The following table shows tax expenditure estimates for the three major taxes from Fiscal Year 2010 to Fiscal Year 2012. In general, the revenue estimate for a tax expenditure tends to follow the anticipated growth of tax collections. However, year-to-year changes in estimates may vary for four other principal reasons: new data sources; refinements to the estimate methodology; changes to federal tax expenditure estimates which are used as the basis for many of the state tax expenditure estimates; and changes in tax laws.

Where possible, we have recalculated past estimates based on revised data, improved methodologies, and changes in statute.

**Personal Income Tax (In Millions)**

Tax Expenditure	Item Number	FY2012	FY2013	FY2014
<b>EXCLUSIONS FROM GROSS INCOME</b>				
Exclusions from Gross Income	1.000	3,642.6	3,963.1	4,170.2
Exemption of Premiums on Accident and Accidental Death Insurance <sup>1</sup>	1.001	23.1	23.7	24.2
Exemption of Premiums on Group-Term Life Insurance <sup>1</sup>	1.002	10.9	12.2	12.1
Exemption of Interest on Life Insurance Policy and Annuity Cash Value	1.003	204.4	208.8	214.2
Exemption of Employer Contributions for Medical Insurance Premiums and Medical Care <sup>1</sup>	1.004	823.2	945.3	1,044.2
Exemption of Annuity or Pension Payments to Fire and Police Personnel	1.005	N.A.	N.A.	N.A.
Exemption of Distributions from Certain Contributory Pension and Annuity Plans <sup>2</sup>	1.006	296.8	305.8	316.7
Exemption of Railroad Retirement Benefits	1.007	4.2	4.4	4.6
Exemption of Public Assistance Benefits	1.008	205.4	213.6	223.1
Exemption of Social Security Benefits	1.009	763.6	792.9	827.2
Exemption of Workers' Compensation Benefits	1.010	6.2	6.4	6.7
Exemption for Dependent Care Expenses <sup>1</sup>	1.011	10.6	8.8	8.7
Exemption of Certain Foster Care Payments	1.012	3.2	3.2	3.1
Exemption of Payments Made to Coal Miners	1.013	Negligible	Negligible	Negligible
Exemption of Rental Value of Parsonages <sup>1</sup>	1.014	2.5	2.5	2.5
Exemption of Scholarships and Fellowships	1.015	18.8	19.3	20.7
Exemption of Certain Prizes and Awards	1.016	N.A.	N.A.	N.A.
Exemption of Cost-Sharing Payments	1.017	Negligible	Negligible	Negligible
Exemption of Meals and Lodging Provided at Work <sup>1</sup>	1.018	7.1	7.7	7.6
Treatment of Business-Related Entertainment Expenses <sup>1</sup>	1.019	N.A.	N.A.	N.A.
Exemption of Income from the Sale, Lease, or Transfer of Certain Patents	1.020	N.A.	N.A.	N.A.
Exemption of Capital Gains on Home Sales	1.021	259.6	277.9	288.2
Nontaxation of Capital Gains at Death	1.022	775.3	913.0	937.3
Exemption of Interest from Massachusetts Obligations	1.023	81.6	80.9	87.4

## FY2014 Governor's Budget Recommendation

Tax Expenditure	Item Number	FY2012	FY2013	FY2014
Exemption of Benefits and Allowances to Armed Forces Personnel <sup>1</sup>	1.024	22.2	24.5	25.9
Exemption of Veterans' Pensions, Disability Compensation and G.I. Benefits	1.025	44.5	30.1	30.4
Exemption of Military Disability Pensions	1.026	0.5	0.5	0.5
Exemption of Compensation to Massachusetts-Based Nonresident Military Personnel	1.027	8.9	9.1	9.5
Exemption for Taxpayers Killed in Military Action or by Terrorist Activity	1.028	N.A.	N.A.	N.A.
Exemption for Retirement Pay of the Uniformed Services	1.029	23.4	24.1	24.9
Parking, T-Pass and Vanpool Fringe Benefits	1.030	37.9	39.9	41.1
Health Savings Accounts	1.031	Included in 1.422	Included in 1.422	Included in 1.422
Employer-Provided Adoption Assistance	1.032	0.0	0.0	0.0
Employer-Provided Educational Assistance	1.033	8.5	8.5	9.3
Qualified Retirement Planning Services	1.034	N.A.	N.A.	N.A.
Department of Defense Homeowners Assistance Plan	1.035	N.A.	N.A.	N.A.
Survivor Annuities of Fallen Public Safety Officers	1.036	N.A.	N.A.	N.A.
Survivor Annuities of Fallen Astronauts	1.037	N.A.	N.A.	N.A.
Discharge of Indebtedness for Victims of Terrorism	1.038	N.A.	N.A.	N.A.
Discharge of Indebtedness for Health Care Professionals	1.039	Negligible	Negligible	Negligible
Archer Medical Savings Accounts	1.040	Included in 1.420	Included in 1.420	Included in 1.420
<b>DEFERRALS OF GROSS INCOME</b>				
Deferrals of Gross Income	1.100	1,131.4	1,374.8	1,524.1
Net Exemption of Employer Contributions and Earnings of Private Pension Plans <sup>2</sup>	1.101	831.1	1,013.2	1,130.0
Treatment of Incentive Stock Options	1.102	N.A.	N.A.	N.A.
Exemption of Earnings on Stock Bonus Plans or Profit Sharing Trusts	1.103	N.A.	N.A.	N.A.
Exemption of Earnings on IRA and Keogh Plans <sup>2</sup>	1.104	222.7	270.3	300.3
Deferral of Capital Gains on Home Sales	1.105	N.A.	N.A.	N.A.
Nontaxation of Capital Gains at the Time of Gift	1.106	77.6	91.4	93.8
<b>DEDUCTIONS FROM GROSS INCOME</b>				
Deductions from Gross Income	1.200	0.3	0.3	0.3
Capital Gains Deduction	1.201	N.A.	N.A.	N.A.
Deduction of Capital Losses Against Interest and Dividend Income	1.202	N.A.	N.A.	N.A.
Excess Natural Resource Depletion Allowance	1.203	0.3	0.3	0.3
Abandoned Building Renovation Deduction	1.204	0.1	0.1	0.1
<b>ACCELERATED DEDUCTIONS FROM GROSS INCOME</b>				
Accelerated Deductions from Gross Income	1.300	102.6	100.8	98.1
Modified Accelerated Depreciation on Rental Housing	1.301	24.1	23.5	20.4
Modified Accelerated Depreciation on Buildings (other than Rental Housing)	1.303	6.2	6.2	6.1
Modified Accelerated Cost Recovery System (MACRS) for Equipment	1.304	55.7	56.6	57.5
Deduction for Excess First-Year Depreciation	1.305	10.1	8.6	8.5
Election to Deduct and Amortize Business Start-up Costs	1.306	5.0	4.5	4.1
Expensing Exploration and Development Costs	1.308	Negligible	Negligible	Negligible
Expensing Research and Experimental Expenditures in One	1.309	1.2	1.2	1.2

<b>Tax Expenditure</b>	<b>Item Number</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Year				
Five-Year Amortization of Pollution Control Facilities	1.310	N.A.	N.A.	N.A.
Seven-Year Amortization for Reforestation	1.311	N.A.	N.A.	N.A.
Expensing Certain Capital Outlays of Farmers	1.312	0.3	0.3	0.3
<b>DEDUCTIONS FROM ADJUSTED GROSS INCOME</b>				
Deductions from Adjusted Gross Income	1.400	791.4	810.9	833.8
Deduction for Employee Social Security and Railroad Retirement Payments	1.401	298.5	299.2	301.3
Deduction for Employee Contributions to Public Pension Plans <sup>2</sup>	1.402	Included in 1.401	Included in 1.401	Included in 1.401
Additional Exemption for the Elderly	1.403	26.9	27.5	28.2
Additional Exemption for the Blind	1.404	1.2	1.2	1.3
Dependents Exemption Where the Child Earns Income <sup>3</sup>	1.405	N.A.	N.A.	N.A.
Deduction for Dependents Under 12	1.406	137.0	136.7	137.0
Personal Exemption for Students Age 19 or Over	1.407	9.2	9.0	9.0
Deduction for Adoption Fees	1.408	0.4	0.4	0.4
Deduction for Business-Related Child Care Expenses	1.409	15.3	16.0	16.8
Exemption of Medical Expenses	1.410	67.6	70.2	73.4
Rent Deduction	1.411	118.8	120.5	122.9
Nontaxation of Charitable Purpose Income of Trustees, Executors or Administrators	1.412	N.A.	N.A.	N.A.
Exemption of Interest on Savings in Massachusetts Banks	1.413	4.5	4.4	4.4
Tuition Deduction (Over 25% of Income)	1.414	29.9	33.5	37.7
Charitable Contributions Tax Deduction	1.415	N.A.	N.A.	N.A.
Deduction for Costs Involved in Unlawful Discrimination Suits	1.418	N.A.	N.A.	N.A.
Business Expenses of National Guard and Reserve Members	1.419	Negligible	Negligible	Negligible
Archer Medical Savings Accounts	1.420	Negligible	Negligible	Negligible
Deduction for Clean-Fuel Vehicles and Certain Refueling Property	1.421	Negligible	Negligible	Negligible
Health Savings Accounts	1.422	7.8	10.7	12.3
Commuter Deduction	1.423	7.1	7.4	7.5
Self-Employed Health Insurance Deduction	1.424	43.0	45.5	48.4
Student Interest Loan Deduction (allowed Federally or by Massachusetts)	1.425	24.4	28.1	32.6
Expenses of Human Organ Transplant	1.426	N.A.	0.5	0.5
<b>CREDITS AGAINST TAX</b>				
Credits Against Tax	1.600	222.0	232.5	250.1
Renewable Energy Source Credit	1.601	1.0	1.3	1.4
Credit for Removal of Lead Paint	1.602	2.4	2.3	2.3
EDIP/Economic Development Incentive Program Credit	1.603	2.9	2.8	2.8
Credit for Employing Former Full-Employment Program Participants	1.604	Expired	Expired	Expired
Earned Income Credit	1.605	125.0	127.6	130.1
Septic System Repair Credit	1.606	10.6	11.2	11.2
Low Income Housing Tax Credit	1.607	1.1	0.9	0.9
Brownfields Credit	1.608	4.3	4.9	5.6
Refundable State Tax Credit Against Property Taxes for Seniors ("Circuit Breaker")	1.609	68.5	72.4	76.5
Historic Buildings Rehabilitation Credit	1.610	4.2	4.4	4.4
Film (or Motion Picture) Credit	1.611	0.7	2.0	2.0

<b>Tax Expenditure</b>	<b>Item Number</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Home Energy Efficiency Credits	1.612	Expired	Expired	Expired
Medical Device User Fee Credit	1.613	Negligible	Negligible	Negligible
Dairy Farmers Credit	1.614	0.3	1.8	1.8
Conservation Land Credit	1.615	1.0	0.9	0.8
Employer Wellness Program Tax Credit	1.616	0.0	0.0	9.4
Community Investment Tax Credit	1.617	0.0	0.0	0.8

## Fiscal Year 2014 Tax Expenditure Budget: Appendix C Summary Table

### Corporate Tax (In Millions)

Tax Expenditure	Item Number	FY2012	FY2013	FY2014
<b>EXCLUSIONS FROM GROSS INCOME</b>				
Exclusions from Gross Income	2.000	86.9	93.9	98.6
Small Business Corporations	2.001	86.9	93.9	98.6
Exemption of Income from the Sale, Lease or Transfer of Certain Patents	2.002	negligible	negligible	negligible
<b>DEFERRALS OF GROSS INCOME</b>				
Deferrals of Gross Income	2.100	1.0	1.0	1.0
Deferral of Tax on Certain Shipping Companies	2.101	1.0	1.0	1.0
<b>DEDUCTIONS FROM GROSS INCOME</b>				
Deductions from Gross Income	2.200	150.6	164.0	171.6
Charitable Contributions and Gifts Deduction	2.201	42.4	47.1	48.8
Net Operating Loss Carry-Over	2.203	108.2	116.8	122.8
Excess Natural Resource Depletion Allowance	2.204	0.1	0.1	0.1
Deduction for Certain Dividends of Cooperatives	2.205	N.A.	N.A.	N.A.
Economic opportunity areas; tax deduction for renovation of abandoned buildings	2.206	Negligible	Negligible	Negligible
<b>ACCELERATED DEDUCTIONS FROM GROSS INCOME</b>				
Accelerated Deductions from Gross Income	2.300	160.1	218.6	301.1
Modified Accelerated Cost Recovery System on Rental Housing	2.301	3.4	3.1	2.7
Expenditures to remove architectural and transportation barriers to the handicapped and elderly	2.303	0.6	0.6	0.6
Election to Deduct and Amortize Business Start-up Costs	2.304	0.5	0.3	0.2
Modified Accelerated Cost Recovery System for Equipment	2.305	87.3	142.5	190.6
Deduction for Excess First-Year Depreciation	2.306	8.2	2.3	21.3
Modified Accelerated Depreciation on Buildings (other than Rental Housing)	2.307	0.8	1.1	1.3
Expensing Research and Development Expenditures in One Year	2.308	59.0	68.1	83.9
Expensing Exploration and Development Costs	2.309	Negligible	Negligible	Negligible
Five-Year Amortization of Pollution Control Facilities	2.311	N.A.	N.A.	N.A.
Alternative energy sources; deduction	2.312	0.2	0.3	0.4
Seven-Year Amortization for Reforestation	2.313	0.2	0.1	0.1
<b>ADJUSTMENTS TO APPORTIONMENT FORMULA</b>				
Adjustments to Apportionment Formula	2.400	279.8	302.7	319.2
Unequal Weighting of Sales, Payroll, and Property in the Apportionment Formula	2.401	279.8	302.7	319.2
<b>EXCLUSIONS FROM PROPERTY COMPONENT</b>				
Exclusions from Property Component	2.500	192.8	214.4	222.0
Nontaxation of Certain Energy Property	2.501	N.A.	N.A.	N.A.
Exemption for Property Subject to Local Taxation	2.502	192.8	214.4	222.0
<b>CREDITS AGAINST TAX</b>				
Credits Against Tax	2.600	441.9	482.5	508.4

## FY2014 Governor's Budget Recommendation

<b>Tax Expenditure</b>	<b>Item Number</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>
Investment Tax Credit	2.602	65.8	71.1	74.7
Vanpool Credit	2.603	Negligible	Negligible	Negligible
Research Credit	2.604	154.0	164.4	174.2
EDIP/Economic Development Incentive Program Credit	2.605	23.6	23.6	23.6
Credit for Employing Former Full-Employment Program Participants	2.606	Not active	Not active	Not active
Harbor Maintenance Tax Credit	2.607	1.0	1.0	1.0
Brownfields Credit	2.608	32.0	33.4	35.1
Low Income Housing Credit	2.609	48.4	44.3	44.3
Historic Buildings Rehabilitation Credit	2.610	47.9	47.9	47.9
Film (or Motion Picture) Credit	2.614	53.8	78.0	78.0
Medical Device User Fee Credit	2.615	0.4	0.4	0.4
Devens Refundable Tax Credit	2.616	0.0	0.0	0.0
Life Sciences Tax Incentive Program	2.617	13.5	16.4	16.9
Dairy Farmers Credit	2.618	0.6	1.0	1.0
Conservation Land Credit	2.619	1.0	1.1	1.2
Employer Wellness Program Tax Credit	2.62	0.0	0.0	9.4
Community Investment Tax Credit	2.621	0.0	0.0	0.8
<b>ENTITY EXEMPT FROM TAXATION</b>				
Entity Exempt from Taxation	2.700	7.0	6.1	5.9
Exemption of Credit Union Income	2.701	7.0	6.1	5.9
Tax-Exempt Organizations	2.702	N.A.	N.A.	N.A.
Exemption for Regulated Investment Companies	2.703	N.A.	N.A.	N.A.

## Fiscal Year 2014 Tax Expenditure Budget: Appendix C Summary Table

### Sales Tax (In Millions)

Tax Expenditure	Item Number	FY2012	FY2013	FY2014
<b>EXEMPT ENTITIES</b>				
Exempt Entities	3.000	393.3	411.5	438.9
Exemption for Sales to the Federal Government	3.001	N.A.	N.A.	N.A.
Exemption for Sales to the Commonwealth	3.002	N.A.	N.A.	N.A.
Exemption for Sales to Tax-Exempt Organizations	3.003	393.1	411.2	438.6
Exemption for Sales of Tangible Personal Property to Motion Picture Production Companies	3.004	0.1	0.1	0.1
Exemption for Sales of Certain Tangible Personal Property Purchased for a Certified Life Sciences Company	3.005	0.2	0.2	0.2
<b>EXEMPT PRODUCTS/SERVICES</b>				
Exempt Products/Services	3.100	1,459.0	1,511.1	1,573.3
Exemption for Food	3.101	666.8	687.7	714.5
Exemption for Certain Food and Beverages Sold in Restaurants	3.102	N.A.	N.A.	N.A.
Exemption for Clothing	3.103	264.5	272.8	283.4
Exemption for Medical and Dental Supplies and Devices	3.104	433.4	454.3	477.1
Exemption for Water	3.105	46.5	47.9	49.8
Exemption for Newspapers and Magazines	3.106	36.2	36.3	36.0
Exemption for the American Flag	3.107	N.A.	N.A.	N.A.
Exemption for Certain Precious Metals	3.108	N.A.	N.A.	N.A.
Exemption for Cement Mixers	3.109	N.A.	N.A.	N.A.
Exemption for Aircraft & Aircraft Parts	3.112	11.6	12.0	12.4
Exemption for Breast Pumps	3.113	Included in 3.104	Included in 3.104	Included in 3.104
<b>EXEMPT, TAXED UNDER ANOTHER EXCISE</b>				
Exempt, Taxed Under Another Excise	3.200	972.6	977.2	1,010.8
Exemption for Alcoholic Beverages	3.201	110.0	112.9	116.6
Exemption for Motor Fuels	3.202	729.2	723.5	750.0
Exemption for Hotel/Motel Rooms	3.203	133.4	140.8	144.1
<b>EXEMPT COMPONENT OF A PRODUCT OR CONSUMED IN PRODUCTION</b>				
Exempt Component of a Product or Consumed in Production	3.300	880.2	890.0	902.6
Exemption for Items Used in Making Clothing	3.301	N.A.	N.A.	N.A.
Exemption for Materials, Tools, Fuels and Machinery Used in Manufacturing	3.302	612.0	615.0	618.1
Exemption for Materials, Tools, Fuels and Machinery Used in Research and Development	3.303	79.8	84.3	89.4
Exemption for Materials, Tools, Fuels, and Machinery Used in Furnishing Power	3.304	103.0	102.8	104.3
Exemption for Materials, Tools, Fuels, and Machinery Used in Newspaper Printing	3.306	60.8	62.5	64.6
Exemption for Materials, Tools, Fuels, and Machinery Used in Agricultural Production	3.308	12.8	13.3	13.8
Exemption for Vessels, Materials, Tools, Fuels, and Machinery	3.309	11.8	12.1	12.5

## FY2014 Governor's Budget Recommendation

Tax Expenditure	Item Number	FY2012	FY2013	FY2014
Used in Commercial Fishing				
Exemption for Materials, Tools, Fuels and Machinery Used in Commercial Radio and TV Broadcasting	3.310	N.A.	N.A.	N.A.
<b>EXEMPTIONS FOR SPECIFIED USES OF PRODUCTS/SERVICES</b>				
Exemptions for Specified Uses of Products/Services	3.400	937.8	947.2	987.3
Exemption for Electricity	3.401	308.1	321.5	336.4
Exemption for Fuel Used for Heating Purposes	3.402	89.7	89.3	87.2
Exemption for Piped and Bottled Gas	3.403	147.8	137.5	148.5
Exemption for Steam	3.404	14.4	14.4	14.4
Exemption for Certain Energy Conservation Equipment	3.405	N.A.	N.A.	N.A.
Exemption for Funeral Items	3.406	12.6	12.6	12.9
Exemption for a Motor Vehicle for a Paraplegic	3.407	1.3	1.3	1.3
Exemption for Textbooks	3.408	46.9	49.2	51.9
Exemption for Books Used for Religious Worship	3.409	N.A.	N.A.	N.A.
Exemption for Containers	3.410	161.6	164.4	166.9
Exemption for Certain Sales by Typographers, Compositors, Color Separators	3.411	N.A.	N.A.	N.A.
Exemption for Sales of Building Materials and Supplies to be Used in Connection with Certain Construction Contracts	3.412	90.2	98.1	107.7
Exemption for Commuter Boats	3.417	N.A.	N.A.	N.A.
Exemption for Fuels, Supplies and Repairs for Vessels Engaged in Interstate or Foreign Commerce	3.418	0.7	0.7	0.7
Exemption for Fuel Used in Operating Aircraft and Railroads	3.419	64.6	58.1	59.3
Exemption for Sales of Certain New or Used Buses	3.420	N.A.	N.A.	N.A.
Exemption for Films	3.421	N.A.	N.A.	N.A.
<b>MISCELLANEOUS EXEMPTIONS</b>				
Miscellaneous Exemptions	3.600	118.9	123.3	128.5
Exemption for Casual or Isolated Sales	3.601	N.A.	N.A.	N.A.
Exemption for Vending Machine Sales	3.602	N.A.	N.A.	N.A.
Exemption for Certain Meals	3.603	9.8	10.8	11.5
Exemption for Certain Bed and Breakfast Establishments from Sales Tax on Meals and Room Occupancy Excise	3.604	N.A.	N.A.	N.A.
Exemption for Certain Summer Camps from Sales Tax on Meals and Room Occupancy Excise	3.605	1.1	1.1	1.1
Exemption for Trade-in Allowances for Motor Vehicles and Trailers	3.606	94.7	97.5	101.1
Exemption for Publications of Tax-Exempt Organizations	3.607	13.3	13.9	14.8
Exemption for Gifts of Scientific Equipment	3.608	N.A.	N.A.	N.A.
Exemption for Vessels or Barges of 50 Tons or Over	3.609	N.A.	N.A.	N.A.
Exemption for Rental Charges for Refuse Containers	3.610	N.A.	N.A.	N.A.
Exemption for Honor Trays	3.611	N.A.	N.A.	N.A.

## ***Appendix D - Non-Tax Expenditure Budget Items***

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### **Fiscal Year 2014 Tax Expenditure Budget – Appendix D Non-TEB Items**

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In July 2012 legislation was enacted stating explicitly that “sales that do not involve tangible personal property shall not result in tax expenditures”. See St 2012, c.165, §112. Pursuant to this legislation, from fiscal year 2014 on, we remove some items from our tax expenditure estimates, which we regularly reported in prior years. But to facilitate comparison to tax expenditure estimates in prior years, we list these items in this appendix.

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**Items:**

- 3.422 Exemption for Telephone Services  
Sales of residential telecommunications services of up to \$30 per month are exempt from sales tax.
- Origin: M.G.L. c. 64H, § 6(i)  
Estimate: \$41.6
- Comment: Telegraph services are also exempt, but are not included in this estimate.
- 3.501 Nontaxation of Transfers of Real Property  
Real estate is exempt from sales tax but is subject to a deeds excise at a rate of 0.456% of the taxable price of the property (0.342% in Barnstable County). The estimate represents revenues that would be collected under the sales tax if sales of real property were taxed at 6.25%.
- Origin: General exclusion of real property transactions  
Estimate: \$2,624.0
- Comment: Revenues collected under the Deeds Excise Tax (including Secretary State Deeds) were \$140.2 million in Fiscal Year 201 and \$158.8 million in Fiscal Year 2012.
- 3.502 Nontaxation of Rentals of Real Property  
Rental charges for real property, whether for residential or business purposes, are exempt from sales tax.
- Origin: General exclusion of real property transactions  
Estimate: \$1,712.0
- Comment: This estimate excludes rentals of hotel/motel rooms, which are separately stated under item 3.203.
- 3.503 Nontaxation of Certain Services

Certain services are not subject to sales tax. This estimate includes a range of services to individuals and businesses which are excluded from taxation by their omission from the statutory definition of services.

Origin: M.G.L. c. 64H § 1  
 Estimate: \$9,807.8

- 3.504 Nontaxation of Internet Access and Related Services  
 Internet access services, electronic mail services, electronic bulletin board services, web hosting services or similar on-line computer services are not subject to the sales and use tax.

Origin: M.G.L. c. 64H § 1  
 Estimate: \$164.6

**Summary:**

Description of Item	Former TEB number	FY12	FY13	FY14
Exemption for Telephone Services	3.422	40.8	41.2	41.6
Exempt Not Taxable as Tangible Personal Property	3.500	13,156.8	13,810.4	14,308.4
Nontaxation of Transfers of Real Property	3.501	2,215.4	2,532.3	2,624.0
Nontaxation of Rentals of Real Property	3.502	1,622.6	1,667.8	1,712.0
Nontaxation of Certain Services	3.503	9,169.3	9,451.1	9,807.8
Nontaxation of Internet Access and Related Services	3.504	149.5	159.2	164.6

